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## SECTION TWO

A TALE OF TWO KINGDOMS  
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## Shuttle diplomacy pays dividends as Clinton announces 60-day ceasefire Bosnia deal gives hope of lasting peace

EMMA DALY  
Zagreb  
JOHN CARLIN  
Washington

The best hope yet for an end to more than three years of war in Bosnia came yesterday with the announcement by President Bill Clinton of a nationwide 60-day ceasefire and plans for a peace conference agreed by the presidents of Bosnia, Serbia and Croatia.

Mr Clinton warned that the accord was fragile, that mistrust still lingered and that the road to a lasting peace remained long. "The parties in Bosnia have agreed to a ceasefire to terminate all hostile military activities throughout the territory of Bosnia-Herzegovina to become effective on 10 October if certain conditions are met," Mr Clinton said. "At the same time the governments of Bosnia, Croatia and Serbia have agreed to proximity peace talks in the United States beginning about 25 October aimed at bridging them closer to a peace agreement." In the light of previous failures, Mr Clinton warned it was vital to "It matters what the parties do - not what they say," he said.

Although the most difficult issues - the division of land and political power, the details of a post-war constitution - must still be tackled, yesterday's agreement may mark the beginning of the end. "This is not peace, but this is undeniably a big step forward," Richard Holbrooke, the US envoy who clinched a deal after weeks of endless shuttle diplomacy, told reporters in Zagreb. "We're very pleased with where we are but daunted by the road ahead."

The truce is to come into effect at midnight on Tuesday, provided that gas and electricity supplies to Sarajevo have been restored by the rebel Serbs, who shut off all utilities to the city late last spring. If all goes well, the parties should gather in Washington on 25 October for a peace conference, where they will meet in the same building but not around the same table. If sufficient progress is made, there will be a further peace conference in Paris, on a date yet to be specified.

Under the eight-point plan, the parties must end all offen-

### Inside

Will the timetable work? And, if it does, will it result in a political settlement or will it simply install an armed peace? Much to the Bosnians and Muslims to the Serbs.

Analysis: The ceasefire actions, including sniping and the laying of mines, open a route to the besieged eastern enclave of Gorazde for civilians and UN traffic; treat prisoners and civilians humanely and arrange POW exchanges.

Mr Holbrooke reeled off a list of the many obstacles still to be addressed - assuming the ceasefire holds - including the map, constitutional arrangements, the status of Sarajevo, electoral procedures. "You name it," he said. "Even creating the conditions for the ceasefire will require tremendous efforts by UN peacekeepers and aid workers, who must venture into front-line areas to inspect and

repair gas and power lines. Bosnian Serb forces yesterday advanced to 1.5km (less than one mile) from government-held Kijac in northwest Bosnia and seized control of a major road linking it with Bilac.

Once the guns are quiet, the UN will have the task of monitoring the ceasefire, by patrolling front lines and reporting breaches. Nato, Mr Holbrooke was eager to emphasise, will not join the fray until "the peace agreement is in place".

However, Nato defence ministers were urgently shaping plans yesterday for the peace-keeping force the Alliance will dispatch to the Balkans to police the final settlement. Hailing a "major step forward," the US Under-Secretary of Defense, Walter Slocombe, warned that it was critical that the ceasefire holds if a final deal is to be reached. He declined to predict when that might be, but the ministers meeting in Williamsburg, Virginia, have pencilled in late November as a likely date.

Mr Holbrooke said Alliance jets, which struck three Bosnian Serb radar stations on Wednesday after the rebels locked on to Nato planes, would still patrol the skies to enforce earlier agreements, such as the "safe area" status of Sarajevo and Gorazde. Mr Holbrooke, who flew yesterday from Belgrade to Sarajevo to Zagreb, said the ceasefire talks had gone on late into Wednesday night over an open telephone line between the Serbian and Bosnian capitals. He paid an emotional tribute to three colleagues killed this summer on route for Sarajevo, reinforcing the impression of a wholly American effort.



Peace at last: Boys in Dobrinja celebrating the news of the ceasefire for Bosnia

Photograph: David Brauchli/AP

## Seamus Heaney wins Nobel Prize

MARIANNE MACDONALD  
Arts Reporter

The world learnt of the long-awaited award of the Nobel Prize for Literature to Seamus Heaney yesterday - with the exception of the Irish poet himself, who was walking in Greece.

His publishers, Faber and Faber, said through a harassed spokeswoman: "It's a case of him happening to call us, because we don't know where he is. I suppose he might only find out about the prize from the newspapers."

Heaney, 56, was chosen as winner of the award, worth about £635,000, by the Swedish Academy, which praised his "works of lyrical beauty and ethical depth, which exalt everyday miracles and the living past".

It is an honour that has been predicted for the past six years as the Catholic poet - who retired last year as Oxford Professor of Poetry - has inexorably grown in stature.

He will receive the cheque at a ceremony in Stockholm on 10 December, along with the laureates for the other prizes - Chemistry, Physics, Physiology or Medicine, and Peace.

The son of a cattle-dealer, Heaney is regarded as the most important Irish poet since WB Yeats, who was also awarded literature's most prestigious prize in 1923. He is Ireland's fifth winner this century, following Joyce, Shaw and Beckett.

Mary Robinson, the Irish President, said Heaney had brought "great honour to Ireland". Matthew Evans, the chairman of Faber, said: "We are absolutely delighted and very moved by this recognition."

The 1992 Nobel winner, Derek Walcott, said: "As the guardian of Irish poetry, Seamus Heaney has, like his predecessor Yeats, received his just recognition." But Heaney's brother Hugh remained as down-to-earth as the poet is expected to be. "This award won't change him," he said.

Irish patriot, page 3

## Blair seals the pact with BT chief

DONALD MACINTYRE  
Political Editor

Tony Blair and Sir Iain Vallance last night sealed Labour's information superhighway pact with British Telecom after Lord Tebbit, the former Tory chairman, forsook his party loyalties and went out of his way to praise the Labour Party leader.

Mr Blair and Sir Iain met privately in the leader's Brighton hotel suite to discuss the plan on a day of high political drama on which the intervention of Lord Tebbit, a non-executive director of BT, overshadowed a ferocious ministerial attack on Mr Blair led by Ian Lang, the President of the Board of Trade. As ministers continued to exhort Mr Blair for allowing his announcement on Tuesday to be presented as a "deal" which no opposition party had the power to make, Lord Tebbit said that Mr Blair had "recognised the commercial needs of British Telecom" by agreeing the access

in return for free connection of schools, colleges, hospitals and libraries to the information superhighway.

Sir Iain last night issued only the tersest of statements after his meeting with Mr Blair saying that while there was no deal

### Inside

'Mail' warns to Labour: How BT deal was done: pages 2, 3  
Conference reports: pages 6, 7  
News Analysis: Daily: page 19  
Leading article: page 20

there was an "understanding" with the Labour Party. Mr Lang said the two men had confirmed their "agreement" and that if Labour took power it would adopt the "unanimous recommendations" of the Commons Trade and Industry Select

committee. These would allow BT progressively to enter the cable entertainment market in competition with cable companies in the period up to a total lifting of market restrictions in the year 2002. He said the company would respond by "some acceleration" of its broadband investment programme - estimated at around £1.5bn - and by "offering in principle free connection to schools, hospitals, colleges and libraries."

Sir Iain, who has been criticised by ministers who want him to reject the Labour proposal, left without answering reporters' questions. A furious Mr Lang wrote to Mr Blair yesterday saying that Sir Iain had assured him personally that no "deal" had been done and warned that any move to allow BT to connect with existing cable companies would require a change in BT's licence conditions which would be a matter for the Director General of Communications. Adding that the Director General

would be obliged to hold public consultations, Mr Lang demanded: "What consideration have you given to this?"

Mr Lang said in his letter that many other telecommunications companies had entered the market in good faith "against the background of public undertakings, investing billions of pounds so that already almost a third of the households have had access to this service."

Their "exclusion" implicit in the "alleged deal" with BT would create a monopoly and he asked: "How can this be reconciled with the public interest? After all the work is already being done to bring the benefits you seek to our schools and hospitals and our universities."

But despite his open commercial interest in the offer to BT, Lord Tebbit went a long way yesterday to undermine the public relations impact of Mr Lang's onslaught. In Brighton to fulfil his duties as a Sky TV presenter and appear on BBC

Question Time, Lord Tebbit said that what Mr Blair had said was "just a matter of fact." He said: "Usually he gets it right about five to eight years after the Conservative Party does. On this occasion he seems to be slightly ahead."

The Brighton conference is the first in living memory in which the leadership has suffered no defeats by the delegates. Yesterday, as it was even suggested that the Daily Mail might swing behind Labour, the party passed another milestone when the conference ditched the last vestiges of its unilateralist nuclear defence policy.

He declared: "What Tony Blair has done is to accept the recommendations of the House of Commons Select Committee and say that the Government should, and if he were to be in government he would, allow BT to compete with the American-

owned cable companies.

"I think it's time we were allowed to compete with them," Lord Tebbit told BBC Radio 4's *World At One*. "What I'm saying is that on this occasion Mr Blair is proposing to do something which I think is correct and in the interests of the country as a whole, not just of BT."

Lord Tebbit added: "It's to the credit of Tony Blair that he's recognised that it would be an advantage overall to the country to get that network down. I just wish it had been Ian Lang who was saying it or Michael Heseltine when he was doing the job a few years ago."

### IN BRIEF

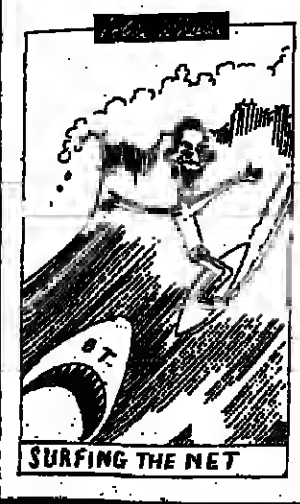
**Health report row**  
Ministers were accused of suppressing research that would undermine action against a key European directive on working hours after copies of a government-financed study saying that working more than 48 hours a week doubles the risk of heart disease were destroyed. Page 2

**War crimes trial**  
The first man to be charged with war crimes under British law appeared before Epsom magistrates. Szymon Serafinowicz, 84, who faces four charges of murder under the War Crimes Act, was remanded on conditional bail until next month. Page 8

**Howard defiant**  
The Home Secretary, Michael Howard, was resisting pressure to retreat on the Asylum and Immigration Bill after being warned by business leaders and a Cabinet minister that the measure, which he hoped to announce at the Tory conference, was potentially racist. Page 2

**Benefit curbs backed**  
The Government's policy of cracking down on jobless and homeless "benefit tourists" from other EU countries received strong backing in a High Court test case. Page 9

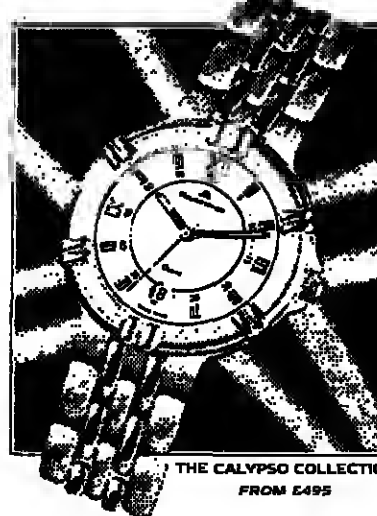
**Gang's 3 crimes a day**  
The leader of a teenage gang responsible for 445 offences since April has been placed in custody after Nottinghamshire police and social workers spent a year trying to stop them. Page 5



### COMMENT

**News Analysis:** Just how good is Labour's deal with BT? Page 19  
**Helen Wilkinson** on how Ken and Em's is not the only relationship to be destroyed by the toll of work Page 21  
**Henry Porter** examines who is most at fault when newspaper coverage undermines the right to a fair trial Page 21  
**Another View:** The Archdeacon of York on being betrayed by his colleagues Page 20  
**Leading article:** Howard's Asylum Bill Page 20  
**Weather:** The UK will be rainy and windy today although clearer weather will reach central and northern areas later to give sunny spells and a few showers. Section Two, page 37

Maurice Lacroix  
OF SWITZERLAND



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section ONE BUSINESS 23-28 COMMENT 20, 21 CROSSWORD 32 GAZETTE 22 LAW REPORT 22 LEADING ARTICLES 20 LETTERS 20 NEWS 2-18 OBITUARIES 22 SHARES 28 SPORT 29-32 UNIT TRUSTS 23

section TWO ARTS 9-11 CHESS 37 CLASSICAL MUSIC 16-18 CROSSWORD 37 FIT FOR LIFE 8 LIFE 4, 5 LISTINGS 22-28 POP MUSIC 12-15 REVIEWS 9 TELEVISION & RADIO 29-39 WEATHER 37



## news

# 'Health risk' row over 48-hour week

**BARRIE CLEMENT**  
Labour Editor

Ministers were yesterday accused of suppressing research which would undermine government court action against a key European directive on working hours.

The Department of Health yesterday admitted destroying copies of a government-financed study because of a single sentence which reported that working more than 48 hours a week doubles the risk of heart disease.

In December the European Court is due to hear a case brought by the Government that a Brussels directive aimed at limiting working time is not a health and safety issue and therefore Britain should not be forced to apply it.

Even if the Government loses the case, it has negotiated a six-year delay on the 1996 implementation date for the order.

The study, by Professor Cary Cooper of the University of Manchester Institute of Science and Technology, which was due to be published on 4

September, refers to inquiries in Sweden and America which have supported the link between long hours and ill health.

The offending sentence says: "Research has shown that working more than 48 hours per week, doubles the risk of coronary heart disease."

A spokesman for the Department of Health conceded the reason for pulling the study, but pointed out there were other reports which showed that a link had not been proven. "We didn't like the bold and bald assertion in the report," said the

spokesman. Professor Malcolm Harrington, of Birmingham Institute of Occupational Health, stated in a paper published in the *British Medical Journal* on 18 June that there was "no unequivocal evidence" supporting the link.

The Department of Health spokesman said there had been an "oversight" in the production and presentation of the booklet which might give the impression that its findings represented the views of the Government.

It was simply one contribu-

tion to the department's work on mental health in the workplace.

Professor Cooper, however, said it was clear that "long hours do not mean good health".

The MSF manufacturing union, to which the document was leaked, argues that the document, *Mental Health and Stress in the Workplace*, was suppressed because its publication would undermine the Government's case at the European Court. Roger Lyons, general secretary of MSF yes-

terday called on Stephen Dorrell, the Secretary of State for Health, to issue the document, abandon the court case and implement the directive.

Mr Lyons claimed that 10,000 employees working more than 48 hours a week die each year from heart disease.

The Government yesterday introduced new regulations which mean that employers will not be forced to consult recognised unions over redundancies.

Instead companies can elect to inform other non-union employees' representatives.

A European Court of Justice ruling given against the UK in 1994 criticised British law for restricting consultations to unions.

The Government also introduced rules which limit the obligation to consult employees only where there are 20 redundancies or more. The present regulations stipulate that there should be consultations over two or more job losses.

The Department of Trade and Industry estimated yesterday that it would remove the requirement to consult from some 96 per cent of businesses.

## IN BRIEF

## Burglary sparks massive explosion

Burglars caused a massive explosion yesterday destroying a fireworks company's premises in a former Second World War gun emplacement designed to withstand explosions.

The incident happened just before 2am at Sky High Pyrotechnics on a former airfield in Teynham, near Faversham, Kent. "Persons went there in a stolen van and tried to attack the steel door with welding equipment," Inspector Mervyn Williams said. "We don't know if anyone was caught in [the explosion]... we're sifting through what looks like a bomb site."

## Helicopter deaths

A flying instructor and his student died when their Royal Navy helicopter hit a power cable and plunged into the River Wye at St Austins, Gwent, during a training flight. The Gazelle from 705 Squadron, was flying from RAF Shawbury, near Chester, to the Royal Naval Air Station, Culdrose, Cornwall.

## Kegworth damages

A woman who was seriously injured and lost her three sisters in the Kegworth air disaster as they travelled to their father's death-bed has won £273,951 High Court damages. Margaret Kelly, of north London, developed post-traumatic stress disorder after the British Midland Airways Boeing 737-400 crashed into the embankment of the M1 in Leicestershire in 1989, killing 47 people.

## Men's health focus

A campaign to fight men's ignorance about their health has been launched by the Health Education Council. It says men should examine their testicles for abnormalities - 1,500 new cases of testicular cancer are registered in Britain each year and the highest-risk age group is 30 to 40, but 95 per cent of tumours are curable if caught early.

## Rosemary West trial

The prosecution case against Rosemary West will open at Winchester Crown Court today. Mrs West, 41, of Gloucester, widow of Frederick West, is accused of killing 10 females whose remains were found at two houses in the city last year. The jury was sworn in on Tuesday before being sent away while legal submissions were heard by the trial judge.

## Drug charges

Yogendra Patel, 52, of central London, was re-arrested in custody until 12 October when he appeared before magistrates charged with offering to supply 2 million Temazepam capsules with a street value of £5m.

## Fish killed by sea

Vandals were blamed for killing thousands of fresh-water fish by breaking open sluice gates at St Nicholas at Wade in Thanet, Kent, and flooding the River Wantsum with sea water.

## Mind your manners

The government's Highways Agency is supporting the Police Society's National Day of Courtesy today by using the electronic message signs on roads in London and the South-east to urge motorists to drive safely, and "not hog the middle lane".

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BACK ISSUES  
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## Howard resists attack on 'racist' Bill

**COLIN BROWN**  
Chief Political Correspondent

The Home Secretary was last night resisting pressure to retreat on the Asylum and Immigration Bill after being warned by business leaders and a Cabinet minister that it was potentially racist.

Michael Howard was seeking to overcome the criticism by Gillian Shephard, Secretary of State for Education and Employment, that the plan to fine employers of illegal immigrants could lead to racial discrimination.

The strength of an attack by the British Chamber of Commerce last night intensified the pressure to shelve the Bill. Warning Labour would oppose the legislation, the Government was accused by Jack Straw, shadow Home Secretary, of "playing the race card".

Mr Howard had to postpone the publication of the Bill until the end of the month to resolve differences disclosed in a leaked Whitehall memorandum by Mrs Shephard.

Its fate will be decided by a meeting of the Cabinet EDH Committee, on economic, domestic and home affairs issues, chaired by Tony Newton, Leader of the House, after next week's Tory party conference.

Mr Howard has already watered down the proposals in the face of criticism from business, by dropping plans to require employers to carry out checks on immigrants. However, he is proposing legal sanctions against employers, which Mrs Shephard said would lead to companies being less ready to recruit ethnic minority staff.

Business leaders said they thought it had been abandoned, but the disclosure that a scaled-down Bill was still being prepared threatened fresh opposition from the Institute of Directors, the CBI and the British Chambers of Commerce.

Richard Brown, the deputy director-general of the British Chambers of Commerce, said it could "give rise to allegations of racism", if employers were required to check on people they suspected of being illegal immigrants. He said the problem of illegal immigrants had never been raised by the chambers. "We really don't see it as being a crucial matter."

Whitehall sources said the objections raised by Mrs Shephard were "not insurmountable" and the proposed Bill could still go ahead. Mrs Shephard told Mr Howard in her memorandum she agreed in principle with deterring illegal working. But she wrote: "There is a danger that employers will concentrate checks on prospective employees whom they see as a risk, if not simply exclude them from consideration for the job."

Leading article, page 20



Death in focus: Rudolf Scafer's portrait of a Berlin mortuary reflects visitors to an exhibition called The Dead at the National Museum of Photography and Television, Bradford. The images on show examine the ways in which artists and photographers explore ideas of mortality. Photograph: John Houlahan/Gazette

## 'Daily Mail' warms to new Labour

**DONALD MACINTYRE**  
Political Editor

The tantalising prospect that Associated Newspapers, publishers of the *Daily Mail*, *Sunday Mail*, and *Evening Standard*, could support Labour in the next general election was floated publicly for the first time yesterday by Sir David English, the company's chairman.

Sir David reveals in the *Spectator* that the papers' proprietor, Lord Rothermere, acknowledged this week that an endorsement of Tony Blair was "not impossible". Lord Rothermere's remark followed a two-hour private meeting with the Labour leader. Sir David continues that "we may or may not"

show support to Mr Blair and that it is "too early to say".

The tentative hints came the day after the Murdoch press, traditionally the hane of Labour's electoral prospects, warmly greeted Mr Blair's speech to the Labour Party conference in Brighton.

The notion that the *Daily Mail* could for the first time forsake its Tory heritage for New Labour comes in a conference diary from Brighton in which he describes several lunches with the Labour leader. Sir David says: "These have been 'much more fun' than when 'current members of the Government came gloomily to dine'."

Sir David says that Mr Blair had acknowledged in conver-

sation "what we [Associated] had been through" when "we talked about trade unions and what they had done to kill the newspaper industry", and added: "He indicated quite clearly that, if in power, the position would not be restored to the point where we would have to fight that again."

He describes a conversation about welfare in which Mr Blair made it clear that he shared the concern of the *Mail's* editor, Paul Dacre, about the welfare and social costs of single mothers. In contrast to both the late John Smith and John Major - both of whom had offered an "almost identical... knee-jerk, politically correct dismissal of this subject" in similar conver-

sations, Mr Blair was "straightforward about how the present situation was... betraying a generation of children".

Mr Blair had told Associated executives "you may find I am the only one who has the will" to reform the welfare state. Sir David says a "thoughtful silence ensued" among colleagues after this remark.

Sir David says that "we are not without scepticism towards the present government" and adds: "We feel we must continue our dialogue with Tony Blair to the point where we can accurately reflect our opinion of him come the election: whether to attack him, remain neutral or even endorse him."



Sir David English: lunches

## Press barons enticed by charm offensive

One day the Murdoch press is hailing Tony Blair as the greatest visionary since John F Kennedy, the next the chairman of that other bastion of Tory support, Associated Newspapers, teasingly holds out the prospect of backing the Labour leader at the general election.

Never mind the aspirin, Tory party spin doctors are reaching for the carving knife and beginning to size up their wrists.

While Sir David English's musings in this week's *Spectator* fall well short of a commitment to back Labour, they are an intriguing subtext to the right-wing press's general warming to Mr Blair.



The apparent love affair between Rupert Murdoch and Mr Blair began last year with dinner in London, continued with an invitation to the Labour leader to address a conference hosted by the tycoon on a Pacific island, and approached consummation this week.

On Wednesday the *Sun* hailed Mr Blair's Brighton speech as "the most remarkable ever made to a Labour conference". Today called it an escape from the "sterile and barren wasteland" of politics under

this government, and even the *Times* said the Tories would find the modern day JFK's moral crusade "as difficult to ape as it will be to criticise".

According to Sir David's diary, Associated's relationship with Mr Blair began over lunch. While it appears to have blossomed on a personal level, the real test of any rapprochement between New Labour and old Associated will be in its newspapers.

Since Paul Dacre, a trenchant right-winger, moved to the *Daily Mail*, the *Evening Standard* has adopted a more fluid, liberal political line. Of the traditionally right-wing press, it alone backed John Major in the Conservative

leadership contest. On Wednesday, it rhapsoed over Mr Blair's "inspirational" conference speech: "The Tories have in him an opponent to be taken seriously. Silly vituperation will not do: they have to come up to his standard of seriousness and intellectual weight."

The *Daily Mail* has been a stormtrooper for the right, concluding after the ditching of Clause Four that "the Labour leopard has not changed its spots". After Mr Blair's home truths speech to the TUC last month, the paper had mellowed but still felt Mr Blair was "long on emotional commitment and short on detail".

Then came Brighton. The *Daily Mail* wondered how Mr Blair would fund his vision and whether a Labour government could balance the books. But the admiration was evident. "His confidence speech was a tour de force, brilliantly pitched to heal the divisions within his own party while speaking to the heart of the nation as a whole," it reported.

When Mr Blair returns from Brighton, perhaps there will be a more daring invitation to dinner on his doormat, franked Associated Newspapers.

**RHYS WILLIAMS**  
Media Correspondent

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# Anatomy of a policy: Tony Blair's agreement with BT shows how he saw a political opportunity and seized the initiative

## Superhighway deal irresistible to Labour

DONALD MACINTYRE  
Political Editor

The remarkable arrival of Lord Tebbit and Sir Iain Vallance, chairman of British Telecom, in Brighton yesterday to defend Tony Blair's agreement with BT from Tory attack, brought to a fresh and hugely public climax a policy process which, until this week, had attracted little attention but which has become long in the making.

It was last October that Tony Blair, who has his own E-mail address, and whose computer-literate wife Cherie is fully internet-friendly, asked Chris Smith, the shadow Heritage Secretary, to make the development of policy on the information superhighway his central priority for the year.

The Commons Trade and Industry Select Committee, chaired by Labour's Richard Cabborn but Tory-dominated, had in the late summer of 1994 already recommended the gradual relaxation of restrictions on BT's access to the cable enter-

tainment business between 1998 and 2002.

The company insists this is necessary to secure an adequate return for the £15bn investment needed to finance the right mix of fibre optic, radio link and modernised networks of copper cable in put the whole of Britain on line.

This sort of infrastructure would allow a schoolchild in Falkirk to tap into the Science Museum's database in London or a doctor to take an instant second opinion from a consultant by showing him an X-ray while his patient is still in his surgery.

The Government rejected the recommendation outright, though there were uncorroborated suggestions in Westminster yesterday that Mr Heseltine would have liked to adopt the proposals but was advised by two senior officials in the DTI's telecommunications division that this was impossible, given the commitments made to the cable companies.

But well before then Mr Blair had been talking to media



Tony Blair (left) and Sir Iain Vallance, who sealed the Labour Party deal with British Telecom, and Michael Heseltine, who had wanted to relax restrictions to the cable network

heavyweights about the implications of the superhighway. Indeed it was that subject over which Mr Blair's relationship with Rupert Murdoch, international media tycoon, began to warm. In July, Mr Blair was a keynote speaker at Mr Murdoch's international conference for his senior staff, held at the

luxurious Hayman Island resort, off the coast of Queensland. Chris Smith, who was anything but a computer expert when Mr Blair's summons came, but is now widely respected in the industry as a very fast learner, travelled to the US, met Vice President Al Gore's information technology experts,

talked to Department of Commerce officials and went to Stanford University and California's "Silicon Valley" to bring himself up to date with the information revolution.

Mr Smith set up a policy forum not only of front benchers and Labour MPs but a number of outside consultants, ranging

from Sir David Putnam to Logica's Philip Hughes, Professor Steve Hepple of Anglia Polytechnic's UltraLab, Sir John Daniel of the Open University and James Purnell, information expert at the left of centre Institute of Public Policy Research, an Islington Labour councillor and one of Mr Blair's key advisers on the issue.

And by February, when Tony Blair met Sir Iain to hear his pitch on behalf of the Select Committee report, Mr Smith was already floating the idea in speeches that the Government would need some form of social return for relaxing the restrictions. That idea - which was virtually the only aspect of the policy announced on Tuesday which did not crop up in the Select Committee Report - eventually bore fruit in the BT offer to connect every school, college, hospital and library for free.

By the time Mr Blair travelled to Hayman Island in July the policy of agreeing to lift the restrictions on BT, Mercury and other potential telephone com-

panies in return for free interconnection of public institutions was already complete. But it may have been Mr Blair's trip to Australia that finally persuaded of him of the political profile such a policy could be given.

For as Mr Blair chatted with the Australian premier in one of their adjoining suites overlooking the hexagonal pool, Mr Blair remarked that he had to return home to make a speech to the information superhighway conference Mr Smith had convened for July 18.

By all accounts, Paul Keating, who also has an agenda of connecting up every public building, was lyrical about the political implications of the superhighway. Immediately, Mr Keating who, even more than Tony Blair, has never made any secret of his admiration for the political drive of Margaret Thatcher, had an imposing dossier of speeches and documents faxed down from Canberra and communicated his enthusiasm to Mr Blair.

It was not long after Mr Smith's conference at the Queen Elizabeth II centre in Westminster that discreet contact was made between Mr Blair's office and BT, and the basis for the proposal which Mr Blair announced on Tuesday was put in Sir Iain. Highly secret negotiations were carried out by Alan Rudge, BT's deputy chairman and Jonathan Powell, Mr Blair's chief of staff, who worked closely with Geoff Norris, the industry and education adviser in Mr Blair's office.

After the summer holiday, the negotiations fell into place with remarkable speed. Copies of Mr Blair's speech drafts passed between his office - and later his suite in Brighton's Metropole Hotel - to BT in London, and according to one account, to some of the senior BT executives gathered, ironically, along with Ian Taylor, the DTI Telecommunications Minister, at an international telecommunications conference in Geneva. By Tuesday the text was agreed and the deed done.

## Heaney, an Irish patriot who scaled the world's peak

MARIANNE MACDONALD  
Arts Reporter

Seamus Heaney has risen to literature's Olympian heights from the simplest of beginnings - a small farm called Moostown in Co Londonderry where he was born the eldest of nine children in 1939.

He was brought up a Catholic on the farm sprawled on the long, flat road between Bomebridge in Co Antrim - famous for eels and the hanging of the Catholic republican patriot Roddy MacCorley - and Castle Dawson in Co Londonderry, a Protestant loyalist town. There he learned to avoid Protestant boys attempting to run him over with their bicycles.

One of Heaney's earliest memories is of his father, a cattle dealer, nearly drowning because his horse reared up and overturned his cart on a riverbank. But it was this rural childhood which shaped Heaney's languorous early poetry, with its sensuous evocations of blackberry picking, milk churning, thatching and threshing.

He was educated at St Columba's College, Londonderry, then at Queen's College, Belfast, where he was a brilliant scholar. He longed to be a full-time poet but elected to lecture there initially because of distrust of his ability.

It was in the 1960s that the poet began to emerge. Heaney became part of a group in Belfast who, he recalled, "used to talk poetry day after day with an intensity and prejudice that cannot but have left a mark on all of us".

In 1966 he published his first major collection of poetry, which arrived on the literary

landscape like a thunderclap. Later, during the Troubles, he described the atmosphere in which he and the other Belfast poets worked as a reality of "explosions, road blocks and rhetoric" which made writers feel "socially called upon" and "answerable". He has never lost sight of this Irishness. "Be advised my passport's green. No glass of ours was ever raised to toast the Queen," he warned the editors of the *Penguin Anthology of British Poetry* when they included his work in the collection.

With the publication of each successive collection of poetry from the early *Death of a Naturalist* to *Seeing Things* of 1991, Heaney's reputation has grown until he is now considered the major poet in the English speaking world.

With fame has come responsibility and possessions. Heaney, his wife Marie and his children move between a battered family house in Dublin, a country cottage at Glanmore, 50 miles from the city, and a flat at Harvard (where he is, Boylston Professor). Until last year he was also Professor of Poetry at Oxford University, and his life is one of a globe-trotter for much of the year until he can retire to phone-less cottage at Glanmore and write.

He says he was first inspired by the poetry of Gerard Manley Hopkins, was "Elitised" at university and admires Emily Dickinson and Ted Hughes. A poem 11 years ago spoke of the vulgarity of the artist "expecting ever gratitude or admiration, which would mean a stealing from him". If that is so, then the Nobel award is the greatest theft of all.



Literary benchmark: Seamus Heaney's award recognises him as the major modern English language poet

Photograph: Eamon Farrell/Photocall

### Nobel Literature Prizewinners since 1980

- 1985: Seamus Heaney (Ireland)
- 1994: Kenzaburo Oe (Japan)
- 1993: Toni Morrison (United States)
- 1992: Derek Walcott (Trinidad)
- 1991: Nadine Gordimer (South Africa)
- 1990: Octavio Paz (Mexico)
- 1989: Camilo Jose Cela (Spain)
- 1988: Naguib Mahfouz (Egypt)
- 1987: Joseph Brodsky (US)
- 1986: Wole Soyinka (Nigeria)
- 1985: Claude Simon (France)
- 1984: Jaroslav Seifert (Czechoslovakia)
- 1983: William Golding (England)
- 1982: Gabriel Garcia Marquez (Colombia)
- 1981: Elias Canetti (Germany)
- 1980: Czeslaw Milosz (US)

## The delicate density of a complete genius

John Walsh on the rise and rise of the Derry-born bard

"Hats off gentlemen, a genius," Brahms directed a roomful of musicians, on first hearing Liszt play the piano; just as people have been proclaiming Seamus Heaney's genius almost from the outset.

"Soon people are going to start comparing him to Yeats," Clive James observed on the publication of *Wintering Out*, and that was in 1972 when the Derry-born bard was a tender 33. Now 56, with eight volumes of verse and three essay collections to his name, only Geoffrey Hill, Les A Murray, Joseph Brodsky and Derek Walcott (the two last-named Nobel Laureates) come close in global acclaim. Heaney's special quality resides in his poetic

completeness: his skill as a user of language wedded to the delicacy of his epiphanies and the subtlety of his critical insights. His poetry has always been characterised by dense syllabic lines, thick-textured as the turf of Moostown, his family home. From evoking the sights and smells and threats of rural life - the churning-day crocks, the flax-dam invaded by an army of bolted frogs - he moved on to consider the roots of violence in his native Ulster.

His most daring mythopoeic stroke dates from these years, when he drew an explicit connection between Provo and UVF murders and the ancient

tribal rituals of Scandinavia, the medieval sacrificial rites of the Toland Men: "Out there in Jutland," he wrote, "In the old man-killing parishes, I will feel lost/Unhappy and at home." It was an act of perfect imaginative sympathy.

After *North*, Heaney's role as an essentially public writer was established. He became a kind of ambassador of poetry the global lecture circuit. His work began to consider the language that is shared but fought over by English and Irish, the huge symbolic properties contained in a verb or an oyster - "the froed-lipped, brine-sung ghut of privilege". Though his language

never lost its gnarled and knotted music, or its magical precision, his concerns became increasingly rarefied in *The Haw Lantern* and *Station Island*, his imagination seemed to turn inward. But in *Clearances*, a sequence of sonnets to his late mother and in his most recent collection, *Seeing Things*, he returned spectacularly to form through his own past, and writing of the "space" that was enriching cleared in his life by death, and the intimations of the numinous that wake the everyday world into sudden light and transform it as his own poetry transformed mud and stones into statement. He is an

exhilarating man to meet, the narrow slits of his eyes (in that vast battlement of a head) constantly creased with laughter, his huge ploughman's grip dwarfing one's stiffened fingers.

He will argue enthusiastically with star-struck students about critical theory, extemporise risky literary formulations (speaking of someone's attempt to represent Wilde as a killer satirist, he once told me, "Synge goes right in under the nail; Wilde just glides along the top of it") then escape to hear his friend David Hammond play *Sink Her in the Lowland Sea* on a battered folk guitar. He is a literary hero sans pareil in a world where heroes are few. Hats off gentlemen, indeed.

### DAILY POEM

The Haw Lantern  
By Seamus Heaney

The wintry haw is burning out of season, crab of the thorn, a small light for small people, wanting no more from them but that they keep the wick of self-respect from dying out, not having to blind them with illumination.

But sometimes when your breath plumes in the frost it takes the roaming shape of Diogenes with his lantern, seeking one just man: so you end up scrutinised from behind the haw he holds up at eye-level on its twig, and you flinch before its bonded pit and stone, its blood-prick that you wish would test and clear you, its pecked-at ripeness that scans you, then moves on.

This poem is the title poem of *The Haw Lantern*, published by Faber in 1987. A new collection will be published in the spring.

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# From scampi in the basket to rooks baked in a pie

James Cusick reports on radical changes to the British pub

Where once scampi in a basket ruled supreme, there is now rook pie or ostrich medallions. Where once an order for a glass of chardonnay brought silence or gales of derision, there are now glimmers of hope. Britain's pubs are apparently reaching maturity.

The leading annual guide to the houses of ale and atmosphere, *The Good Pub Guide*, published yesterday to claims that pub food, pub architecture and pub prices may be going through something of a renaissance. The guide's editor, Alisdair Aird, writes that "the wine tide has finally turned", and claims that prices have gone up only a whisker above inflation.

The guide also claims that food is dominating the quiet revolution inside Britain's public houses and that choosing the Dining Pub of the Year "has been the most difficult ever".

Having discovered the microwave and the freezer in the 1980s, it was not unusual, according to Mr Aird, to see pub menus with between 50 and 100 dishes. The growing uniformity of brewery-owned pubs hastened what the traditionalists believed was an end to individualism in pubs. No more.

"Character is making its comeback," Mr Aird said. His list of "unlikely ingredients" in this year's guide includes offal, organic produce and a large Thai influence.

Wendy Hibbard runs and cooks in The Sun at Winton in Herefordshire and for six weeks during the spring months

The Sun's menu includes Rook Pie (£7.50). "The rooks," she says, "come from one of my contacts. Only the rook breasts are used and the taste is somewhere between grouse and pigeon." Tourists who flock to Herefordshire for the experience of the unusual pie expect to be peering out over the pastry crust, but she says "they are disappointed there are none".



New taste: Rook pie is like 'pigeon or grouse'.

This week in The Sun, with rooks out of season, it was venison braised in sloe gin and brandy and Greek "staphado", which is beef in red wine.

The Lion and Unicorn in Thornhill, Central Scotland, has no blackbirds but instead they have a fast-running variety. Their menu includes ostrich medallions in a Madeira sauce (£5.50), happily rubbing shoulders with wild boar in apple gravy.

The trend towards individualism is highlighted in the quiet coastal town of Faversham in Kent where a French chef, Patrick Coevoet, and his wife, Josephine, have brought gastronomic sophistication to a once delapidated pub.

With moored yachts outside and nautical paraphernalia inside, the Albion, with its blackboard menu of Anglo-French dishes, indicates an educated clientele.

Their first appearance in the guide means Patrick's and Josephine's belief that people now want first-class food in a relaxed pub atmosphere has been proved. Patrick said: "I came here from Hazebrouck, near Lille, nearly 10 years ago. Initially I worked in a French restaurant. Now I prefer the pub. We don't have starched and stiff waiters hanging around. The atmosphere is relaxed. The food? It must be good; we are booked out most weekends."

Mr Aird believes Britain's pubs may be in for a "vintage year" but adds: "We don't want to believe it will all be downhill from here. It won't be."

The 1996 Pub of the Year - the Queen's Head, Troutbeck, Cumbria.

Own Brew Pub of the Year - The Cavendish Arms, Carlisle, Cumbria.

Town Pub of the Year - White Locks, Leeds, Yorkshire.

Family Pub of the Year - The Wight Mice, Isle of Wight.

Dining Pub of the Year - The Cholmondeley Arms, near Bickley Moss, Cheshire.



New entry: The Albion pub in Faversham, Kent, which appears in the annual *The Good Pub Guide*, published yesterday. Photograph: Brian Harris

## Police chief hits out over teenage crime

JONATHAN FOSTER

The leader of a teenaged gang responsible for 445 offences since April has been placed in custody after Nottinghamshire police and social workers spent nearly a year trying to stem a wave of theft and vandalism.

Seven boys, now aged between 12 and 15, have operated - as a gang - based - since November in a social services home in Mansfield. The boys have been arrested 419 times, but a shortage of secure accommodation and government guidelines on treatment of children in care have combined to leave them free to resume offending.

Superintendent Alan Capps, commander of Mansfield police division, yesterday told the police authority that "revolving door justice" had brought "untold pain to the community" and danger to his officers.

"On many occasions, my officers have detained the juveniles prior to committing crime, and taken them back to the children's home," Supt Capps said.

"They take them to the front door and, because social services are not empowered to physically detain the offenders, the children run out of the back door and go on further criminal rampages."

"In one such 12-hour period members of the gang committed 14 separate serious offences of burglary, car theft and illegal drug possession."

The boys knew they were unlikely to be locked up by the courts until they reached their 15th birthdays. They often drove dangerously in stolen cars, laughing at police efforts to stop them, Supt Capps said.

Gwilym Griffith, assistant director of Nottinghamshire social services, said recidivist juvenile crime was becoming common across Britain. Some social workers now despair of turning children away from crime, and saw their role in-

creasingly as one of restraint. Gang members were in care because of their criminal behaviour or truancy, Mr Griffith said. Two had spent terms in secure accommodation but rules in children's homes forbade physical force unless a young person was in imminent danger.

"Department of Health guidelines need changing so that staff can physically restrain kids from leaving the building." But he said social workers were reluctant to change the regime in homes substantially because of abuse endured by children subjected to "pin-down" methods in homes in Staffordshire.

Only when a child under 15 persistently offends, or commits a serious crime, can magistrates send him into custody.

Last week, the gang ring-leader burgled and set fire to a clothes shop causing damage estimated at £9,000. Magistrates agreed to send him to a secure unit, but it took four days before social workers found a vacant place at a centre in Leeds.



Supt Capps: 'This is not a political statement'

Mr Capps said: "This is not a political statement. It is a message to highlight the impact that juvenile crime has on the community, and the workload faced by investigating officers."

"I accept that many people have stated that imprisonment does not reform offenders, but imprisonment does give respite to the victims of crime, and I am faced in Mansfield with many shopkeepers whose insurance companies will now not provide them with cover because of the number of claims being made."

## Mother 'wanted to kill children'

A mother accused of fatally poisoning one daughter and attacking another, who died years later of brain damage, had twice threatened to kill her children, a jury heard yesterday.

Tommy Butler, the former husband of Celia Beckett, 34, sobbed as he told Nottingham Crown Court of her "violent" nature.

Ms Beckett is accused of poisoning her daughter Tracey, four, who died in 1986 from an overdose of an anti-depressant, amitriptyline, which was prescribed to Ms Beckett and which she is alleged to have fed to the child. The cause of death

was originally given as bronchitis but detectives applied to have the body exhumed last January.

Ms Beckett, of Newark, Nottinghamshire, is also charged with causing grievous bodily harm to another daughter, Clare, who suffered a serious brain injury in 1984 when four months old. Clare died in 1991 in a home for the severely mentally handicapped.

She is further charged with poisoning and cruelty to a third daughter, Debbie, six, between 1989 and 1992.

Mr Butler, 41, said he was distraught at the death of his two children. He told the court that

Ms Beckett twice threatened to kill the children. "Celia said to me in confidence she couldn't stand seeing Tracey and Clare suffer and she wanted to give them some drugs to put them to sleep," he said.

Oliver Blunt QC, for the defence, rejected the claims, saying Mr Butler had not told the police about the threats but had invented them. He said Mr Butler had sold photographs of his daughters to a national newspaper and had tried to sell a book about the case.

Mr Butler admitted he had recently applied to the Criminal Injuries Compensation

Board for compensation for the death of his two children.

Earlier, the court was told that Ms Beckett had blamed Mr Butler for causing the brain injury to Clare.

David Holmes, who became Ms Beckett's boyfriend in 1986, said: "Celia told me Tommy Butler had caused the injury." However, Mr Holmes described his anger at how Ms Beckett treated Tracey. He said she ignored her after the child had suffered a serious overdose, just three weeks before she died from a second, similar overdose in September 1986. The trial continues today.

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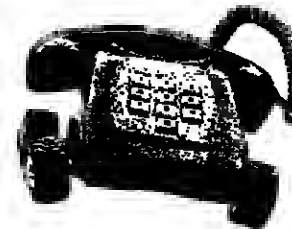
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## LABOUR IN BRIGHTON

## Blair victory in keeping Trident

JOHN RENTOUL  
Political Correspondent

Tony Blair secured the unequivocal support of the Labour conference for his defence policy yesterday, as delegates voted decisively not to scrap the Trident nuclear missile system.

The vote, by 55.8 per cent to 44.2 per cent, reverses last year's traditional embarrassment and removes the last vestige of unilateralism from Labour policy after 15 years.

Combined with votes against a motion to end government support for the arms trade, and

another resolving not to debate calls for cuts in defence spending, the results were hailed by Mr Blair as a further significant endorsement of "new Labour".

"This vote shows a new maturity in the party's attitude to defence. At this conference, on issue after issue, we have seen a party, united, sensible, and determined to build the new Britain we want to create," he said.

The Labour Party abandoned unilateralism under Neil Kinnock in 1989, when a policy review document was approved by conference. But

conference has consistently faced both ways, by also passing motions to scrap Trident or cut defence spending.

In yesterday's debate, John Reid, Labour defence spokesman, described the anti-Trident motion a "pious slogan". He said: "I understand the sentiment attached to it. But it is wrong because it is one-sided disarmament."

Gill Collins (Orpington), moving the motion, said: "Trident is a massive, costly white elephant that should soon be with the dinosaurs." But Lee Vasey (Darlington) warned:

"The world remains a dangerous place, as Bosnia has shown us. We must ensure that our defence forces have the necessary resources and equipment."

Brian Godsell, of the AEEU engineering union, told delegates: "Defence has been the Achilles' heel of the Labour Party for too long. Now's the time to turn defence into attack."

Joan Lester, the left-wing MP put up by the National Executive to reply to the debate, warned the motion could be "misinterpreted at a time when there are enormous opportunities for negotiated reductions

in nuclear arms worldwide".

Last year's motion to scrap Trident was carried by 54 per cent to 46 per cent. The shopworkers' union, Usdaw, with 5 per cent of the vote, which voted to scrap Trident last year, this year changed its position to support the leadership. But there also appears to have been a substantial shift in opinion among local party delegates.

Unison, the GMB and the engineers voted against the motion, the Transport and General Workers' Union, MSF and Communication Workers voted to scrap Trident.

Janet Bloomfield, chairwoman of the Campaign for Nuclear Disarmament, described the vote as "Tony Blair's first blank cheque policy commitment - the true costs of Trident are uncertain and forever escalating". She said that it "runs against the grain of public opinion".

Another motion - opposed by the National Executive because of the effect it would have on jobs - calling on a Labour government to end financial support for arms exports through government agencies, was defeated on a show of hands.

## The essence of acquiescence



JIM WHITE

Anyone doubting how much the Labour Party has really changed should have been in the Brighton conference centre yesterday afternoon. All week, decisions by the new model leadership that would have provoked rioting in the aisles five years ago have been applauded cheerfully by delegates.

Deals with privatised megacorporations boasting bald former cabinet ministers on their boards? Fine by them. Preserve grant-maintained schools of the sort that the leader's son attends? Good idea. Keep Trident? Yo, Tony. And yesterday, Jack Straw, the man who dared to rant in the most incorrect of political ways about "winos, beggars and squeegee merchants" was allowed to make a 20-minute speech on getting tough on crime without once being interrupted by a lengthy point of order from the Amalgamated Union of Windscreen Cleansing Operatives. This spirit of acquiescence may, of course, have been the result of delegates being exhausted by the pace of it all. Straw's speech came at the end of a marathon charge through the agenda, in which 10 subjects and 80 resolutions were discussed in just over two hours. Orders and composites piled up on each other with barely time to breathe in between.

Moreover, the conference schedule seems to have been constructed by the computer which wrote Railtrack's new timetable. Just as you were expecting to climb aboard a debate on crime, along came one on local government. "This is a heck of an afternoon," said chairperson Clare Short at one stage. "Now let's move on to Northern Ireland." It was instructive throughout this gallop to watch the big guns on the platform. When, for instance, a woman wearing a green lapel ribbon took to the rostrum and started talking a bit like Gerry Adams's press officer, they were faced with a dilemma. Short in derision and the cameras banked in front of them would snap up the evidence of

a divided party. Look as though they were listening politely and there would be a clear sign that the leadership endorsed the loonies.

So Jack Straw, for instance, appeared totally neutral whenever he disagreed with a speaker: poring over his papers, or having a quiet word in Clare Short's ear about procedure. Tony Blair is the master of this method of giving nothing away on the platform. While his deputy John Prescott wraps his huge fists around his chin as he sits and listens, the back of his jacket rising up round his jewels, Blair spends his entire time aware of the photo opportunity; aware, perhaps, of what was made of that picture of John Major with his head in his hands at a dinner.

Thus, as others speak, Blair sits so erect it appears he has left the coat-hanger in the back of his jacket, hand movements rationed to the point of extinction. Except when someone says something he agrees with, and then they move into action as he claps ostentatiously. He was doing that more than ever at the end of Straw's stirring call for "swift and tough action to be taken against criminal and anti-social vagrants." In truth, Blair's appreciation of his own personal Rottweiler was significantly more enthusiastic than the delegates, who prefer their speakers to stick to one main resolution: "tough on Tories, tough on the causes of Tories."

Meanwhile the Amalgamated Union of Windscreen Cleansing Operatives had, like Arthur Scargill earlier in the week, voted with their feet. And were hard at work by the traffic lights at the top of West Street.

John Rentoul looks at the 'young fixers' whose behind-the-scenes manoeuvres secured platform success

## Vote-winners in the background

Despite the muttering about how out-of-touch the leader's office is, how the "inner sanctum" does not understand the Labour Party, this week's unseen conference fixers have secured a remarkable unbroken series of successful votes - the first time the platform has not suffered defeat on a single vote.

Tony Blair insists that the relationship between leadership and membership has changed - gone are the days when the conference ritually passed defiant resolutions which the National Executive Committee ignored.

The planning for this week's conference started in January, and more recently Mr Blair himself and David Blunkett, his education spokesman, have met hundreds of local party delegates. At party rallies last month in Dudley, West Midlands, and Crawley, West Sussex, local delegates were called in afterwards to chat to the leader.

But in Brighton the vital work of lobbying delegates and collecting information was carried out by a team of young fixers, who keep themselves out of the limelight, including: ■ Jon Cruddas, 33, chief assistant to Tom Sawyer, party general secretary. He once wrote a

doctoral thesis on the analytical basis of historical materialism, but more recently was a key figure in the arm-twisting operation which delivered the result on one member, one vote for John Smith at the 1993 Labour conference.

■ Pat McFadden, 30, a policy adviser in the leader's office. One of only two staff inherited from John Smith, he was responsible with Dr Cruddas for canvassing the trade unions.

■ Sally Morgan, in the leader's office, responsible for liaison with the party organisation. She proved her worth in the 1992 election campaign, when she organised the effort in marginal seats which delivered a higher swing to Labour than in safe seats. She is the vital link with the NEC.

■ Phil Wilson, 36, one of Mr Blair's closest allies in his Sedgefield constituency, the enthusiast for the mass membership party there, who has a brief to carry the recruitment gospel all over the country.

■ Margaret McDonagh, who has replaced Ms Morgan as "key seats co-ordinator" at Labour HQ. This week she was drafted in to help Mr Wilson persuade constituency delegates.



Persuasive touch: Margaret McDonagh (left) was drafted in to help woo constituency delegates. Photograph: John Voos

Their greatest triumph was the defeat yesterday of the call to scrap Trident - although one source stressed they were not engaged in huffing: "We can't persuade people unless they want to be persuaded."

By contrast with the rigorous organisation of the party ma-

chine, the left failed to marshal its forces. On the one issue on which the leadership could have been defeated, the annual call to cut defence spending to the West European average level, three local parties failed to "composite" their similar motions. While a composite motion

would have been debated, as single motions they fell.

The fixers' only real failure came at the start of the week when the leadership was forced to accept a motion which committed it to rationalising the railways - which Mr Blair has since been trying to "interpret"

away. And they were embarrassed when party officials were forced yesterday to correct the published results of a vote taken on Tuesday. The vote, the most important of 25 rulebook revisions, gives the leadership the power to call ballots of party membership on policy issues.

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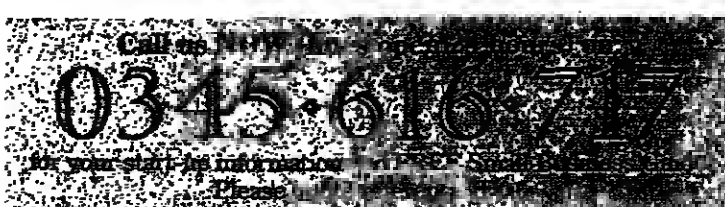
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## LABOUR IN BRIGHTON

# Party backs referendum on reform of Commons

PATRICIA WYNN DAVIES  
Political Correspondent

The right of the British people to decide in a referendum whether they want to reform the Commons voting system was comfortably backed by delegates yesterday, to the delight of campaigners for proportional representation.

Labour Party chiefs also avoided a potentially divisive vote on speeding up elected regional assemblies for England.

A leadership aide insisted party managers were surprised at the ease with which the 2-1 majority by a show of hands reaffirmed the commitment to the plebiscite put in place by John Smith. An expected card vote by one of the unions hostile to the policy over materialised after a heavy lobbying exercise by its supporters and subtle pressure from the party high command.

The move avoids a potentially damaging rift between Tony Blair and Paddy Ashdown, the leader of the Liberal Democrats. The Labour leader said recently that he remained "unpersuaded" of the merits of the reform. But a no vote by the conference could have jeopardised discussions the two parties are poised to begin on how to advance through Parliament agreed reforms such as a Scottish parliament - itself to be elected by the "additional member" form of proportional representation.

Urging the leadership to drop the commitment, Alistair Watson, a councillor from Glasgow Pollock, said: "A referendum offers a way forward only for the minorities such as the Liberals and the Scottish nationalists and the fascists. Why should we get into bed with the decaying corpse of liberalism? We should always remember that to depend on the Liberals is to dance with the devil."

However, his motion, was easily defeated in a second show of hands.

Jack Straw, the shadow Home Secretary, made no secret of his own backing for first-past-the-post, but urged delegates: "There are many in this party, and outside, who take a different view. The result is that the very legitimacy of this, the most basic feature of our democracy, has been called into question. It is now time to resolve this matter."

"Two years ago John Smith gave a pledge to the British people that his Labour government would give them the final word... I ask you to ensure that his pledge is reaffirmed."

He came under fire for Labour's proposal to delay elected regional assemblies in England with the prior support of councils and local people in a referendum.

Nick Anderson, a GMB union delegate and chairman of Labour's Northern Regional Council, declared: "The northern region does not need a referendum." He demanded: "Is the Labour Party really committed to the principle of decentralisation? Does it really believe that decisions should be made as close as possible to the people whose lives those decisions affect?"

But Mr Anderson was persuaded not to press his motion to a vote, however. Labour's final proposals for devolution will not come up for approval until next year's conference.

Frank Dobson, the environment spokesman, won a standing ovation with a speech attacking Tory party "rackets" and a strong pledge to end compulsory competitive tendering for council services. All the Tories did was hand power to countless quangos, he said.

Mr Dobson added that each £1 that compulsory competitive tendering saved cost the taxpayer £2 to make up for the extra benefits paid out and tax not taken in because of lower wages. "We won't impoverish dinner ladies and call it efficiency," he declared.



Photo opportunity: The Labour MP for Great Grimsby Austin Mitchell practices his photography in a quiet moment at Brighton. Photograph: John Voss

### Quotes of the day

"The Labour Party has never been a socialist party - it has socialists in it. It's just like the Church - the church has Christians in it but it isn't Christian." Tony Benn.

"All in all, he's been found guilty seven times, and he's currently in court again. Yet, shamefully this man is still out on the streets - and you know what I think about that." Jack Straw, on Michael Howard.

"It is false patriotism that claims to speak for the whole nation when for 16 years they have acted only for the privileged and the wealthy within it." Robin Cook.

"Tony Blair's Labour government will honour the promise which Margaret Thatcher and John Major have so comprehensively failed to deliver. We shall restore harmony to our country." Jack Straw.

## Straw outlines action plan to 'nip young offending in the bud'

PATRICIA WYNN DAVIES

Two new orders to stop young criminals drifting into repeated offending were pledged by Jack Straw, the shadow Home Secretary. But a largely unrepentant Mr Straw gave only limited ground over the begging controversy he initiated in a recent speech, emphasising that while Labour would seek to tackle the causes of deprivation, the community had a right to less threatening behaviour on the streets.

The proposed new sentences - the reparation order and the action plan order - would "nip young offending in the bud, providing swift intervention and effective punishment", Mr Straw said.

The policy document, *Safer Communities, Safer Britain*, approved by delegates yesterday, says the key time to which to focus prevention policies is the

second court appearance when the new sentences could be imposed.

The reparation order would require the young offender, with the consent of the victim, to do work for the victim or for the community. The action plan order would be an intense programme of education, family support and "teaching the difference between right and wrong", Mr Straw said.

He went on to pledge an end to the "immoral" privatisation of Britain's prisons, and to enact new offences of racial harassment and racial violence.

However, in a low-key but firm defence to his recent attack on the menace of "squeegee merchants" and aggressive begging by winos and addicts, Mr Straw said: "Yes, poverty does cause crime, but crime greatly adds to poverty, and that's why we have to be tough on the causes of crime and tough on crime itself... Begging on the streets and sleeping rough in shop doorways is no way for people to have to live."



Jack Straw: tough on crime

Blaming the Government for creating the conditions of poverty amidst plenty, he said Labour would remove the causes of deprivation and despair.

"But in return, the community has the right to expect less threatening behaviour on the streets. Rights and duties are the bonds which hold strong communities together."

Heavy-handed stage management of yesterday's mammoth debate on democratic renewal ensured little opportunity for criticisms to spill out on to the conference floor.

Paul Boateng, Labour's legal affairs spokesman, promised radical reform of the legal system, while delegates enthusiastically backed a pledge to reform the Crown Prosecution Service, applauding loudly when Mr Straw said: "Their refusal to prosecute the alleged killers of Stephen Lawrence [the black teenager who died after being attacked at a bus stop] is but the last in a long line of decisions which the public find frankly incomprehensible."

### IN BRIEF

#### Ban agreed on live exports

A Labour government should ban the export of all live animals for slaughter, conference agreed yesterday in a significant tightening up of its animal welfare policy.

The unanimous decision drew cheers, after Gavin Strang, agriculture spokesman, declared: "Animals for slaughter should be exported on the hoof, not on the hoof. We will also end the export of nur calves in veal crates." The policy would be "good for animals, good for rural jobs", Dr Strang said.

The motion said: "Slaughter of British animals should take place in British abattoirs as far as possible to the place of rearing." Last year, the conference only called for a ban on journeys to slaughter lasting longer than eight hours.

**Ulster 'impasse'**  
Conference drew back from insisting on the decommissioning of some IRA and loyalist weapons as a pre-condition to all-party talks on the future of Northern Ireland.

Marjorie Mowlam, shadow Northern Ireland secretary, said the issue of decommissioning had to be addressed, but she left room for manoeuvre on the timing. She stressed she would not break the bi-partisan approach with the Government, but without her intervention to flesh out a motion on the peace process, Labour had risked laying itself open to the accusation of going soft on the surrender of arms.

The motion, passed overwhelmingly, expressed concern at the "impasse" in the peace process and called for all-party talks to begin without delay. But it made no mention of decommissioning.

#### Trading envoys

Successful industrialists could be head-hunted by a Labour government to serve as ambassadors in countries seen as key trading markets for Britain.

The proposal, floated by foreign affairs spokesman Robin Cook, would be a significant break with the tradition of appointing ambassadors from within the Diplomatic Service core. Mr Cook and his team have already consulted industrialists and say reaction has been favourable. Present thinking is that about half a dozen executives could fill posts in countries where Britain's interest was mainly commercial. The growth markets of the Pacific rim would be prime targets.

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# PHONES DIRECT



## news

Legacy of the Third Reich: Case against 84-year-old man accused of murder during Second World War comes back to court

## Bail for pensioner facing war crime murder charges

STEPHEN WARD

The first man to be charged with war crimes under British law appeared before Epsom magistrates yesterday.

Szymon Serafinowicz, 84, is facing four charges of murder under the War Crimes Act. The 1991 act allows for men now living in Britain to be prosecuted for alleged offences committed in German-occupied territories during the Second World War.

Mr Serafinowicz has been charged in relation to killings in Belorussia in 1941.

He was arrested and first appeared before magistrates in July this year.

White-haired, cheeks hollow

with age, he stood in the dock throughout an eight-and-a-half-minute hearing in the wood-panelled courtroom yesterday, and was remanded on conditional bail until 2 November.

The entire Dorking Magistrates' Court building has been reserved for the whole of January and February for an old-style full committal hearing of the charges against Mr Serafinowicz.

The War Crimes Act included a provision for a fast-track committal by magistrates to the Old Bailey.

But the Home Office made a drafting error, which was realised by ministers whilst the act was going through parliament, but was never amended by suc-

ceeding Home Secretaries. Under an old-style committal an examining magistrate has to hear from the prosecution witnesses in person.

They can be cross-examined by the defence, and the magistrate then has to decide whether there is a *prima facie* case to commit to a higher court for trial.

The Home Office's error may mean huge extra expense to the taxpayer. Up to 26 witnesses are expected to be called by the prosecution to appear in Dorking, and many will have to be flown into Britain from other countries.

Both sides' legal costs are being paid out of public funds. If the defendant is committed for



War weary: Szymon Serafinowicz leaves Dorking Magistrates' Court yesterday after his brief appearance

Photograph: Edward Sykes

trial, the witnesses will have to be flown in a second time. The procedure also means a substantially increased delay. Mr Serafinowicz will be 85 by the time the committal starts and most witnesses are of a similar age. Committal proceedings

cannot be reported unless restrictions are lifted.

A statement read by Mr Serafinowicz's solicitor Nicholas Bowers outside the court after the first appearance in July said: "My client is completely innocent of these charges and a

full and vigorous defence will now be prepared. My client entered this country in 1945. Since that time he has been an honest and hard-working member of society.

"In his work as a builder and carpenter, he has contributed

considerably to the community for many years.

"He has been aware of the police investigation for more than two years, and has been under considerable pressure in view of the possibility of charges being brought. He is now de-

termined to have those matters brought to trial so that he will have the opportunity to clear his name and to live out the remainder of his years in peace."

Mr Serafinowicz's bail conditions require him to live at his home in Banstead, Surrey.

## Irish priests may avoid sex abuse rules

ALAN MURDOCH  
Dublin

Irish ministers have warned that it may be extremely difficult to include voluntary and church bodies in planned rules on mandatory reporting of child sex abuse, despite alarm over the recent spate of revelations involving Catholic clergy.

Austin Currie, junior health minister responsible for child-care, said creating regulations to legally compel clergy to report such cases to gardai "would have to be very carefully considered".

The issues raised were complex, he warned, and requiring a priest to divulge information obtained during confession would need to be carefully examined. The present law made no distinction between clergy and others, he stressed.

"If you have information about a crime, you should inform the gardai. This is not something which necessarily needs to be laid down in procedures or regulations," he said.

A government spokesman told the *Independent* that planned mandatory reporting rules were to apply to teachers and social workers, adding to regulations in force since April. Opposition parties argued mandatory reporting should

apply to all those in childcare in voluntary bodies, recognising the clergy's still considerable, if diminished, control of parts of the education and health sectors, among other non-state organisations.

In the Dail, Liz O'Donnell, justice spokeswoman for the Progressive Democrats, asked how senior clergy could justify ending cases with cash payments that left the abusers at large in what were "first and foremost criminal matters".

The justice minister Nora Owen this week confirmed gardai have briefed senior clergy and priests on how they investigate sex abuse allegations.

In one of the most serious cases, the alleged attacks on a north Dublin schoolboy by Father Patrick Hughes, the Director of Public Prosecutions decided against a prosecution. The priest paid £50,000 to settle civil claims.

On Wednesday another Catholic priest appeared in court in Enniskillen, the sixth Irish cleric to appear in a sex abuse case in two weeks. John McCabe, 43, faced 12 charges of indecently assaulting an Enniskillen schoolboy between 1979 and 1985. McCabe, who has reportedly left the priesthood, was remanded on bail to appear before Omagh Crown Court in November.

## Patient shot by 'clown' hitman

A hospital patient was under armed guard last night after being shot by a hitman who, dressed as a clown, bluffed his way into the building with a sawn-off shotgun hidden in a bunch of flowers.

Police would not give any details about a motive for the shooting, which happened as the 26-year-old patient was standing outside his private room at St Andrew's Hospital, Billericay, Essex, where he is being treated for acid burns suffered when he was abducted by two men.

After shooting the man in the shoulder at point-blank range, the gunman made a clean getaway. Detective Chief Inspector Wilson Kennedy, leading the inquiry, said: "We are treating this as attempted murder. It was obviously a concerted effort to kill the gentleman."

The gunman is described as white, 6ft 4in, slim and muscular, with short dark hair. He was wearing a clown's wig, a red nose and a set of fake Dracula teeth when he struck at 8.30pm on Wednesday. Detectives said

hospital staff believed the man could have come from a kissogram agency. He asked for directions to the ward where the wounded man was being treated and gave the patient's name.

The victim has been undergoing treatment at the hospital - a specialist burns unit - since the abduction in Purfleet, Essex, in August when two men sprayed acid in his face, bundled him into the boot of a car and then dumped him in Dagenham half an hour later.

Mr Kennedy said: "After this attack, he refused to co-operate with us about the motive. We hope to speak to him later about this attack." He added: "When they abducted him they had him for 30 minutes and had plenty of time to have killed him. I can't say why he was shot."

The man had not apparently received any threats while in hospital. Chris Minett, chief executive of Mid Essex Hospital Trust, said hospital security arrangements had not been breached but a review would be carried out.

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# Court supports crackdown on benefit tourists

The Government's policy of cracking down on jobless and homeless nationals from other European Union countries who wish to take advantage of Britain's welfare system received strong backing yesterday in a High Court test case.

Homeless EU immigrants found to have no realistic prospect of finding work and likely to become a burden on the host state "should head home", said Roger Henderson, the deputy judge.

He ruled that Westminster City Council acted lawfully when officials refused to accommodate two European HIV victims earlier this year.

Gaudenzio Castelli, 35, an Italian, and Jose Tristan-Garcia, 32, a Spaniard, were not entitled to benefit from UK laws designed to help the homeless - even though they had entered the country lawfully as EU citizens, the judge said.

At the time the council made its decision in early summer both men were unemployed with no independent means and apparently no prospect of finding work.

As a result, neither had any right under EU law to remain in the UK, said the judge.

The landmark ruling will be welcomed by the Government as it fully supports social security guidelines established last year to curb so-called "benefit tourists".

Hugh McGeever, Westminster's housing demand manager, welcomed the judge's clarification of the law and said it could possibly affect hundreds of EU nationals and local authorities all over the country.

There were up to 12 similar cases in Westminster alone.

Judge Henderson said at the end of the hearing - unofficially estimated to have cost the legal aid fund and the city council at

least £50,000 - that the case had raised complex legal issues of national public importance.

He gave Mr Castelli and Mr Tristan-Garcia leave to appeal to the Court of Appeal. Westminster is reconsidering the case of Mr Tristan-Garcia as he has since found a job. Mr Castelli will continue to be granted temporary accommodation pending the outcome of the appeal.

Nick Partridge, chief executive of the Aids charity the Terrence Higgins Trust, said of the decision: "It is disgraceful that a man with a life-threatening illness has been released from hospital only to face life on the street."

The charity had backed the two men's unsuccessful application for a judicial review of the council's refusal to house them.

Mr Partridge said: "It is shocking that councils may no longer have a responsibility for vulnerable, ill people."

"This decision represents a further erosion by the courts of homeless people's rights to social housing. This is a particularly worrying development for people living with HIV, for whom a decent home is essential."

Both Mr Castelli and Mr Tristan-Garcia claimed Westminster Council's refusal to house them was in breach of its statutory duty under the 1985 Housing Act because of their medical condition.

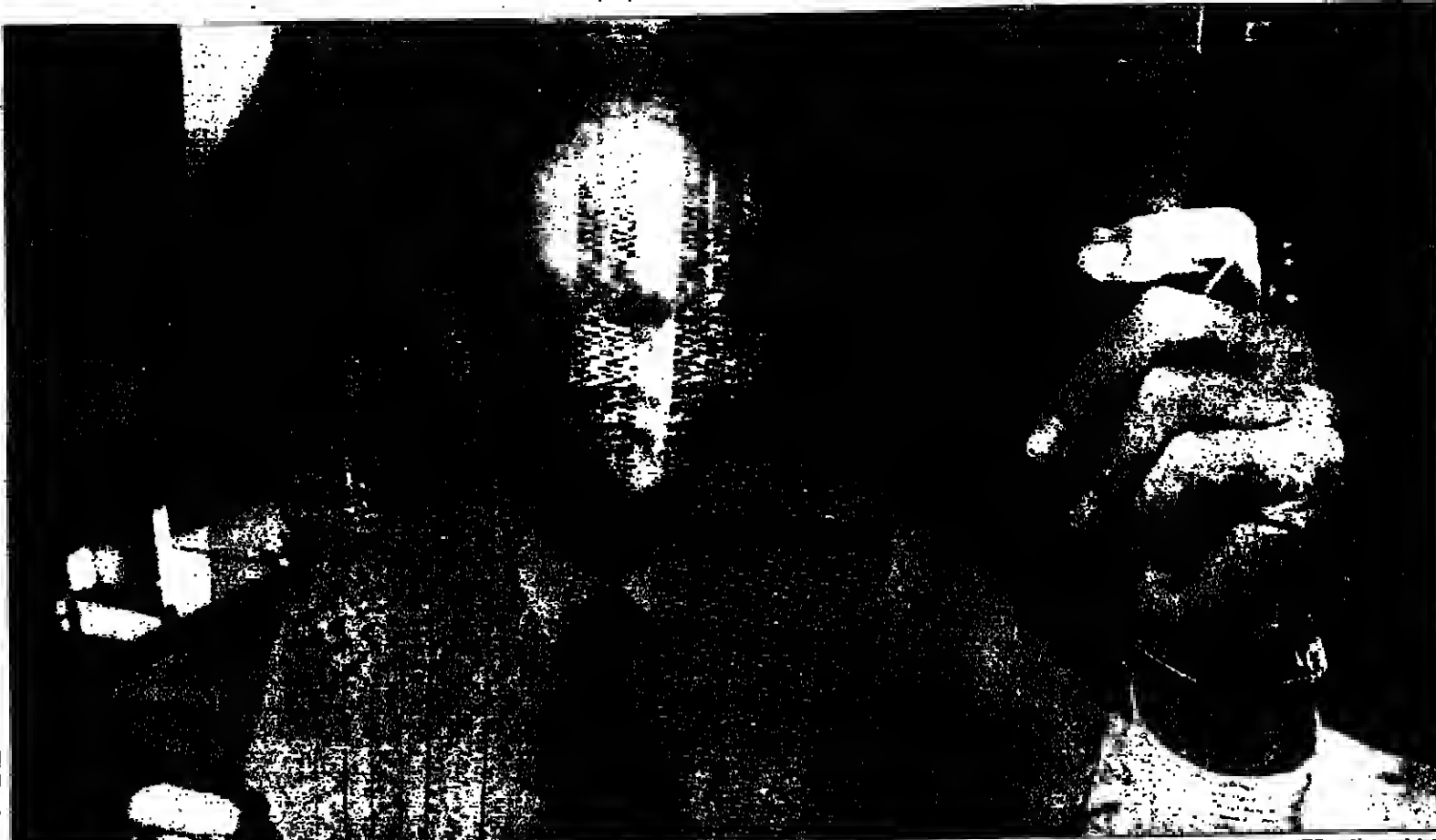
Mr Castelli, a flower seller from Bergamo, first arrived in the UK in March 1994, hoping to start a plastic recycling business in London.

He told the council that he was frustrated by his failure to achieve his ambition, became involved in drug taking, and after his £3,000 capital ran out, lived off his friends and charity from a church. His health deteriorated and he went into hospital several times.

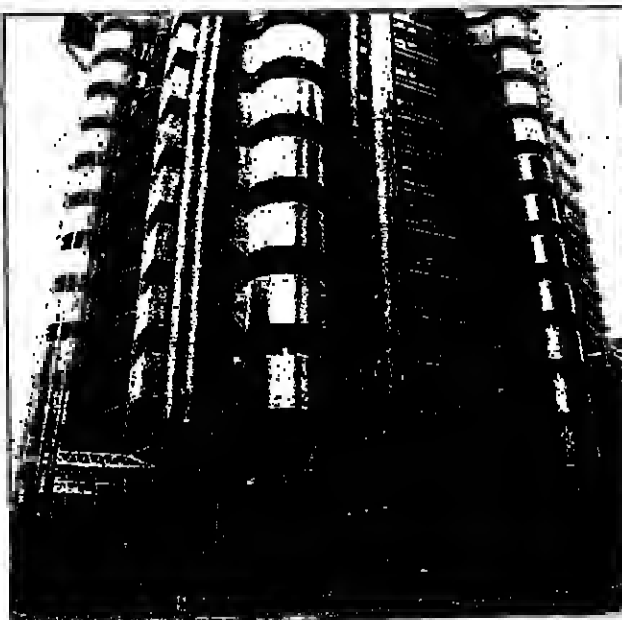
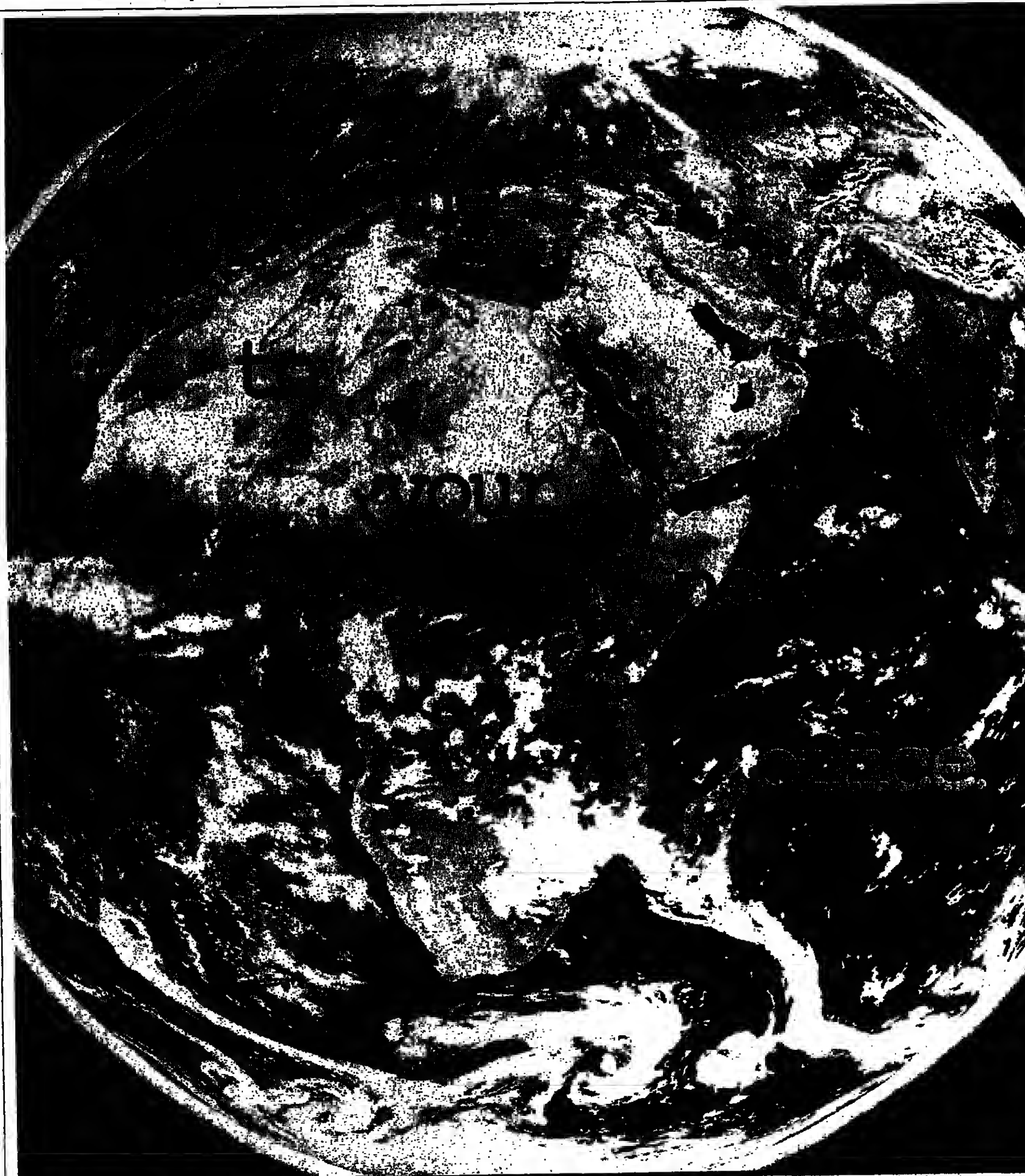
The judge said Mr Tristan-Garcia came to England from Almeria in 1993, living with an uncle in Walthamstow, north-east London, and working as an office cleaner and barman.

From February 1994, he had no paid employment and obtained income support and housing benefit, plus a disability living allowance because of difficulties with walking.

The Home Office Immigration and Nationality Department wrote to both men saying it was not satisfied that they were "lawfully resident" because they were not employed or "seeking work with a genuine chance of obtaining work".



Cancer breakthrough: Professor David Lane, of Dundee University, studies a genetic sample. The biochemist's discovery of protein p53 - thought to hold the key to a cure for cancer - has earned him the £120,000 Yvette Mayent prize from the Curie Institute in Paris. Photograph: Alan Richardson



Needing repairs: the Lloyd's building which is nine years old

## Lloyd's in legal moves over rusty pipework

IAN MACKINNON

The pipework gracing the outside of the distinctive Lloyd's insurance building in the City of London is rusting away just nine years after it was completed.

Managers of the building, dubbed the "espresso machine" because of its appearance, have instructed solicitors and may begin legal action against the designers or contractors to recoup the cost of repairs.

But yesterday the architects, the Richard Rogers Partnership, denied liability and said they would vigorously defend any legal action, while the consulting engineers, Ove Arup and Partners, who designed the technical specifications for the pipework, merely said they were aware of the problem.

Severe corrosion was discovered in the hot water pipes which power the central heating system of the 12-storey building some time ago and work to replace those affected has been going on for about a month. The hot water pipes seem to be worst affected because of the temperature differential, though Lloyd's management has also begun inspections of the cold water and air-conditioning ducts to establish if they, too, need repairs.

Nick Phillips, Lloyd's general manager, yesterday declined to disclose the likely cost, except to say that it would be expensive. However, he believed

that he would recover all the costs of the repairs to the £187m, award-winning building once it had been determined who was responsible.

Mr Phillips said that the City solicitors, Herbert Smith, had been instructed but no writs had yet been issued. He hoped that ultimately the company or companies responsible would "hold up their hand".

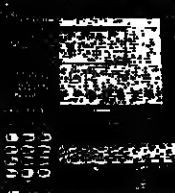
Michael Davis, a specialist construction lawyer, said writs were likely to be issued by the end of the year and the damages claimed would be "substantial". He added: "We will be carrying out a full review of all the parties who were involved in the 1986 building to see who could be remotely connected with this failure. Lloyd's intention is that proceedings will be commenced and I would think that these proceedings are likely to be commenced before the end of the year."

Helen Murphy, of Ove Arup, said it was aware of the repairs and investigations, but regretted that Lloyd's had adopted an "adversarial approach" to the difficulties.

Martin White, company secretary to the Richard Rogers Partnership, said: "Investigations are taking place to ascertain the cause of the problem. Richard Rogers Partnership do not believe that the problem is a design problem. If proceedings are started they will be strongly defended."

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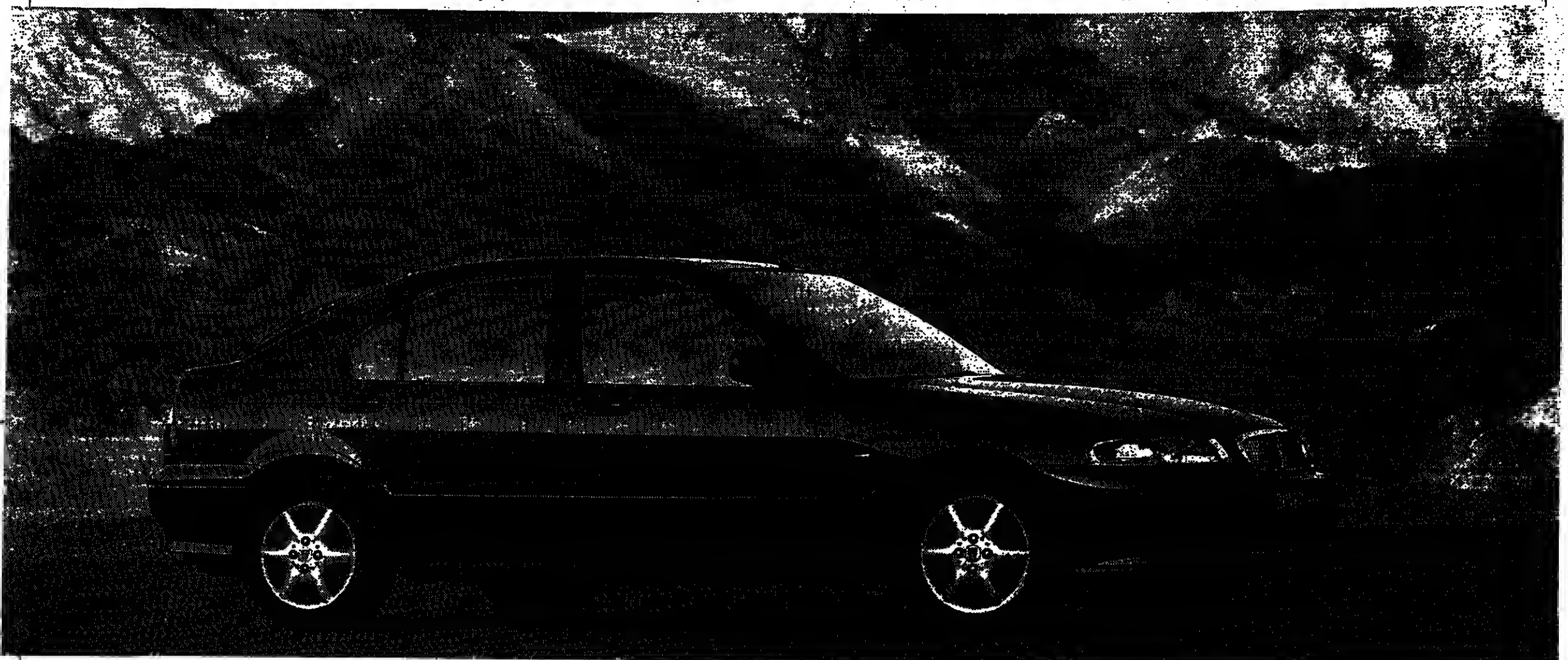
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Big catch: A fish caught off Scotland, which fisheries experts have identified as a primitive saffron roughshark. Scientists were called in after it was discovered by a Grimsby fishmonger. It measures 2ft 6ins and its large eyes and nostrils enable live at depths of up to 720m below sea level, the experts say. Photograph: James Wright

## London drivers facing wave of breath tests

All drivers involved in accidents attended by police will be breath-tested in a new crackdown on drink-driving, the Metropolitan Police said yesterday. The policy, which came into effect yesterday, is being introduced after a sharp increase in the number of positive breath tests recorded in London.

Assistant Commissioner Paul Manning, responsible for traffic policy, said: "Although most people are responsible and don't drink and drive, there's still a hard core of motorists who flout the law and put innocent people's lives at risk. Our message is quite clear - if you have the slightest accident you are liable to be breath-tested."

A pilot scheme has been operating in south-east London since the beginning of the year. Officers will continue to exercise their discretion in cases where drivers are injured.

An extra 200 breathalyser kits have been issued to traffic garages and police stations throughout London to put the new policy into practice. Similar policies have already been adopted by several other forces.

Mr Manning revealed that positive tests in the Metropolitan Police area rose from 8,840 in 1993 to 11,251 in 1994. In the first six months of this year there were 8,057 positive tests.

So far this year around 15 per cent of those asked to undergo tests had either failed, refused or been unable to provide one. That compares with 9 per cent last year and 8 per cent in 1993.

Mr Manning said the reasons for the rise were not entirely understood, but it was probable that it reflected both better targeting of offenders by police and changing drinking habits associated with the introduction of all day opening.

## Briton in murder trial to face new evidence

VUAY JOSHI  
Associated Press

Lawyers defending a British fugitive linked to a string of murders across the world suggested yesterday that Singapore police may have botched an investigation into the killing and dismembering of the South African he has confessed to budgeoning.

Lawyers for John Martin Scripps also said they might object to new evidence the prosecution wants to produce on Monday, apparently from Thailand, where Scripps is charged with a double murder.

Scripps, 35, is a convicted drug trafficker and has also been linked to the murder of a British tourist in Cancun, Mexico.

In the Singapore High Court on Wednesday, Scripps admitted killing Gerard Lowe, an engineer from Johannesburg.

But his confession does not explain how Lowe's headless torso, legs and thighs were found floating in Singapore harbour, packed in black plastic bags.

Scripps claims he battered Lowe with a camping hammer when Lowe made homosexual advances while they were sharing a hotel room on 8 March. He says Lowe fell on the carpet and bled from the head.

But police witnesses have said there was no trace of blood on the carpet, but only in the bathroom, suggesting that the murder was premeditated.

If convicted, he faces the mandatory death sentence. But if Scripps's story is true, the defence can hope for a reduced charge of manslaughter that carries a maximum life imprisonment.

On the fourth day of the trial, Edmond Pereira, for the defence, cross-examined two police officers in a bid to show that they did not examine the carpet thoroughly enough to find traces of blood next to the bed where Scripps claims Lowe fell.

The prosecution has built its case so far on the testimony of a British prison caterer who taught Scripps butchery skills in 1993 while he was serving a 12-year sentence for drug smuggling. He escaped from another low-security prison last year.

A government pathologist testified that Lowe's body parts were cut up professionally, indicating it was dismembered either by a doctor or a veterinary surgeon or a butcher.

The trial was adjourned until Monday for defence lawyers to prepare their case against the purported new evidence that the prosecution has obtained from Thailand.

The evidence is believed to be linked to the deaths of tourists Sheila Damude, 49, a teacher from British Columbia, Canada, and her son Darin, 23, in the Thai resort of Phuket. Their bodies were also hacked up in a similar fashion to Lowe's.

## Barnardo's book is one to remember

LIZ SEARL

A book to help terminally ill parents keep a memory bank of happy family life for their children was launched by the charity Barnardo's yesterday.

The "memory book" targets men and women affected by HIV and Aids, and will explain how to keep a library of memories for children and partners to look back on.

The idea follows a Barnardo's report in June which estimated that by 1997, 4,000 young children will have a mother who has tested positive for HIV.

Barnardo's workers had already experienced the worries of parents who did not want their children to remember them solely by the pain and suffering caused by their illness. They believe the new book will offer them peace of mind.

"Not only do children find it

helpful to have these memories, it can be a relief for the parents, because it is fun to do, and they know that they will never be forgotten," said Lisa Stacey, a Barnardo's spokeswoman. "The book tells them how to use as many methods as possible, including photographs, scrapbooks, and videos, to record events and feelings."

The charity, which held a conference on bereavement services for children in London yesterday, also launched a children's storybook, *Selina's Story*, about a young girl who tries to cope with her mother's illness. The book is aimed at 4- to 8-year-olds who, it is hoped, will be able to identify with Selina.

"When you have worked with children who are coming up to a stressful part of the illness, you see that it can be very helpful because they feel extremely isolated," said Ms Stacey.



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## CEASEFIRE IN BOSNIA

## Will the deal lead to political settlement

The US needs an end to the fighting, but it may be beyond even their powers argues **Michael Sheridan**

The most significant fact about yesterday's announcement of a ceasefire in Bosnia was that it came from President Bill Clinton.

The United States is now locked into a timetable of aspirations that it hopes will yield a settlement of the Yugoslav conflict. Presidential prestige, American weight in the Atlantic Alliance and US military force are now all harnessed to the chariot of Richard Holbrooke's peace initiative.

The US envoy, backed unhesitatingly by the Western allies and supported unhappily by the Russians, therefore stands a greater chance of pulling off a peace deal than did any of his predecessors.

With luck, he will produce for Mr Clinton a piece of paper that could remove Bosnia from the foreign policy crisis list by year's end. But will the timetable work? And, if it does, will the result ensure a political settlement or will it simply install an

armed peace - Munich to the Bosnians and Versailles to the Serbs?

"This is not peace," said Marshal Foch of the Treaty of Versailles in 1919. "It is an armistice for 20 years."

We can expect no cynicism in public from Britain and France over the American effort. But more than one senior official has already mused on the "electoral imperative". In plain man's talk that means the compelling desire of the American administration to banish Bosnia from the headlines before the campaign gets going for the presidential election next November. To adapt Marshal Foch, what Mr Clinton needs is an armistice for 13 months.

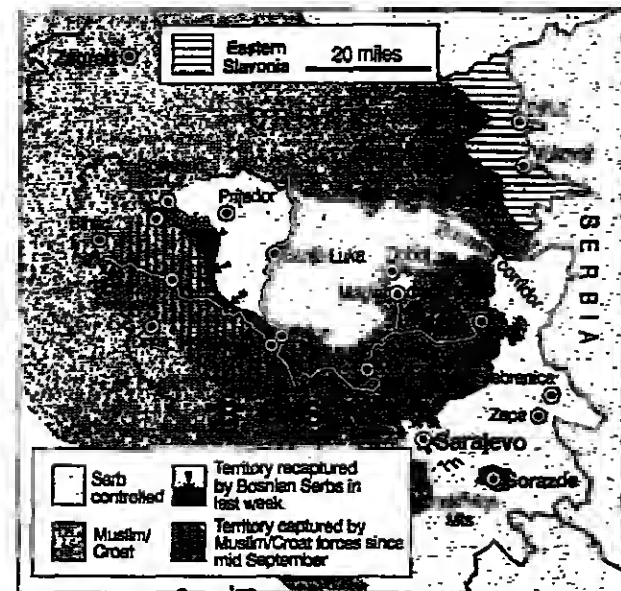
Mr Holbrooke has much to do before confronting such cynics. The ceasefire is not yet achieved. It will come into effect on 10 October only if the Sarajevo government is satisfied that gas and electricity supplies are restored to the Bos-

nian capital. Expect a delay on that score, accompanied by mutual accusations of bad faith.

Fifteen days later, the warring parties are to travel to the United States for "proximity talks". This is an ominous diplomatic phrase, reminiscent of the tedious bargaining process that pertained before Israel and Arabs would sit in the same room at the State Department.

It means that Mr Holbrooke and his team want to perform shuttle diplomacy without air miles. From 25 October they will get all the parties to a latter-day Camp David, to coerce the process onwards. The fruit of such talks is utterly dependent on the level of representation and the mandate accorded to each delegation.

Unfortunately, previous experience of Balkan diplomacy suggests that if the warring sides send only foreign ministers to the 25 October talks, little will be achieved. There would be endless demands to re-



lay negotiating positions back to jockeying leaderships in Sarajevo, Pale, Belgrade and Zagreb.

Then there is the other favourite gambit of "ratification," by which every side can claim its agreement is subject to approval by a national assembly, every one of which, apart

from Croatia's, is of dubious domestic legitimacy. This is a method of incurring delay to gain advantage.

Mr Clinton must therefore be hoping that he gets the real leaders - Slobodan Milosevic, Franjo Tudjman, Alija Izetbegovic and a significant Bosnian



Serb - to come to the United States. He has a 60-day window for action during which hostilities should cease. Even then the nature of Balkan ceasefires remains essentially Lebanese.

They are elastic when not merely transient and they often resist definition. Yesterday, for

example, we were told that all sniping would end and all prisoners would be treated with humanity. Little trust can be reposed in such promises.

So the ceasefire is certain to be breached. The test for Mr Clinton and Mr Holbrooke is whether their negotiating

process can be strong enough to withstand the impact of ceasefire violations. Expect a strenuous effort by the United Nations and Western governments to downplay or cover up incidents that could jeopardise the negotiations.

The Holbrooke timetable

## Fear makes Sarajevo support plan

EMMA DALY  
Zagreb

The Bosnian government has finally succumbed to the temptations of a ceasefire, not only because of intense pressure from Washington, but for fear of losing, once again, on the battlefield.

Despite the stunning successes of the past two months, in which the proportion of territory held by the Bosnian Serb army has plunged from 70 per cent of the country to around half, the momentum has slowed. The government forces, over-stretched and under-equipped, are only just holding the new lines in north-western Bosnia. Recent Serb counter-attacks did not regain much ground, and the UN remarked on a notable absence of artillery support from the Croatian forces in the area, whose participation was vital to the success of the September offensive.

The new front lines more or less fulfil the needs of both sides: in north-western Bosnia, for example, the government has retaken several large towns and pushed the enemy out of range of Bijac. The Serbs have carved out a buffer zone around Prijedor, and kept the government army away from the stronghold of Banja Luka.

Government forces in the area have a strong incentive to agree a truce - the troops are exhausted and need a rest - at least for the short-term. Despite the hitherto and the casualties taken by the men of the Bosnian Fifth Corps attacking out of Bijac, morale seems high and soldiers are determined to capitalise on their huge gains and push forward. Although crucial issues remain unresolved, the planned opening of a road to the beleaguered eastern Bosnian enclave of Gorazde should ease pressure on government forces there, and so reduce the urgency of Sarajevo's attacks around Tuzla and the Treskav-

ica mountains. This campaign was clearly aimed at securing a corridor to Gorazde.

The advances in the past month are due to a combination of factors: the armour and artillery of a resurgent Croatian Army; the damage done to the rebels' command and control structure by Nato air strikes; the slow and painful construction of something resembling a Bosnian army; and the psychological boost offered by the sight of thousands of Croatian Serbs simply abandoning their homes without a fight, which punctured the myth of Serb warriorhood.

But these benefits have slowly worn off. The Croatian Army - as Sarajevo knows - could prove the worst enemy if it merely hands the territory won to the ultra-nationalist right-wingers of the putative Bosnian-Croat statelet. Its desire to press the attack may not coincide with that of the Bosnian Army. The Bosnian Serbs, relieved of a long and tortuous front line, have regrouped. Many government fighters are worn down by the fighting, despite their new boots and plundered artillery.

The political battle would also be greatly enhanced if the Bosnian government army and its allies in the Croatian forces could push north and west to threaten the Serb stronghold of Banja Luka. Taking the town would almost certainly be far beyond the government's capabilities, but moving well within artillery range would concentrate rebel minds in the negotiations on a post-war Bosnia.

That may be the aspiration. But even if the government, with help from the Croats, manages only to hold on to the land won in western Bosnia, the Ozren finger near Maglaj and the Treskavica mountain range south of Sarajevo, it will be in a far stronger position than it can have dreamed of two months ago. And a ceasefire would certainly help.

## UN to pull out 9,000 troops

CHRISTOPHER BELLAMY  
Defence Correspondent  
and RUPERT CORNWELL  
Williamsburg

The UN last night announced it was pulling 9,000 troops out of Bosnia and Croatia, reducing its strength there to 21,000; and more withdrawals are likely, UN sources said. Britain and Canada confirmed large troop withdrawals.

The timing was clearly connected with the US-brokered ceasefire. There are about 18,000 UN protection force troops in Bosnia, plus another 9,900 in the UN Rapid Reaction Force. Britain had 8,500 in both forces. France the same, and Canada 2,000.

Last night the Defence Secretary, Michael Portillo, confirmed that Britain would be withdrawing 3,300 of the 4,000-strong 24 Airborne Brigade from the Rapid Reaction Force. The MoD said it was a "redeployment", and that the troops would remain under the UN while in Britain, on seven days' notice to move.

Canada said it would not replace its 850-strong battalion, based at Visoko in central

Bosnia, when its six-month tour of duty ends in November. Other Canadian personnel would remain as UN observers and as part of the air and sea operations over and around Bosnia. Andre Ouellet, the Foreign Minister, said Canadian troops might return as part of a Peace Implementation Force under Nmo command.

As currently envisaged, the Peace Implementation Force (PIF) will total around 60,000 men, of which the US would contribute a third.

Almost certainly it will be under an American overall commander. British officials said Britain's contribution could be a brigade of 5,000-7,000 troops, with a similar sized French contingent. Some of the UN forces already in Bosnia would be configured into a Nato operation.

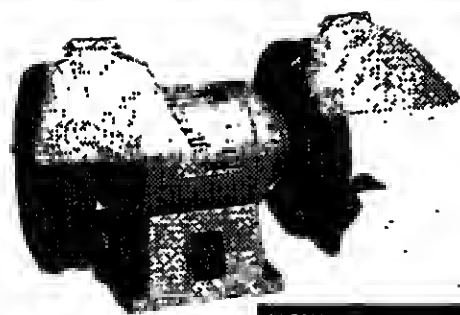
Washington and its main allies seem to be resolving earlier differences over how to strengthen the Muslim government's army, something the US Defence Secretary, William Perry, believes is vital if there is to be military stability on the ground once Nato has left, probably after 9-12 months

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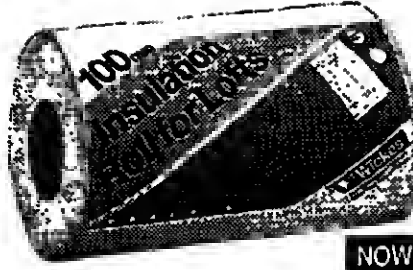
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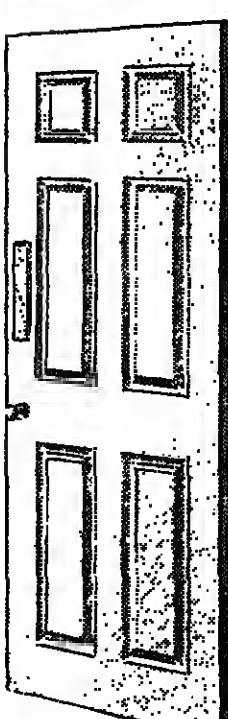
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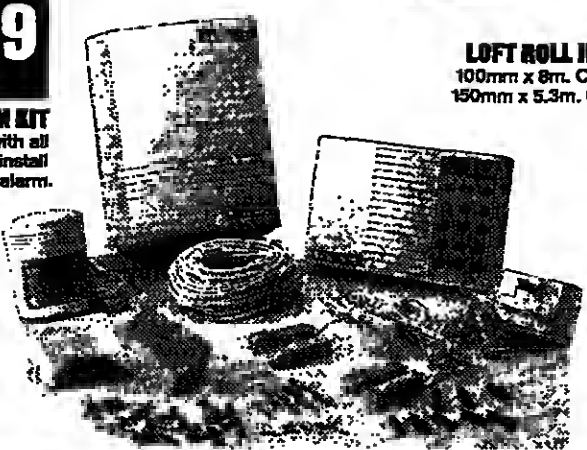


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## CEASEFIRE IN BOSNIA

# or nothing more than an armed peace?

Children wave a UN flag as they play in a Sarajevo street during a lull in the fighting (left). Whether that brief period of safety becomes a long-term reality for Bosnia could well depend on Nato troops such as the British soldier (right) at an observation post near the city



### The final chapter?

25 August More than 30 people killed and dozens wounded when shell stams into crowded street near Sarajevo's central market.  
20 August Nato launches massive dawn air-strikes on Bosnian Serb targets around Sarajevo.  
21 August Holbrooke says "road now seems open to serious, substantive negotiations". Russia backs earlier condemnation of Nato raids.  
1 September Air-strikes are suspended after more than 800 sorties to give Bosnian Serbs a chance to respond to Nato demands to pull big guns back from Sarajevo and open roads. Holbrooke arranges first face-to-face peace talks between the Bosnian, Croatian and Yugoslavian foreign ministers.  
2 September Bosnian Serb commander General Ratko Mladic leaves talks after 13 hours without giving the UN commander, General Bernard Janvier, categorical assurances that siege of Sarajevo would be lifted. Air-strikes resume.  
8 September Holbrooke, in Geneva, announces preliminary agreement on a unified Bosnian state divided into Muslim-Croat and Serb statelets.  
13 September Nato halts air-strikes after Serbs agree to remove most of their heavy guns.  
26 September All parties agree to flesh out 8 September deal with outline of constitutional arrangements for a new Bosnian state.  
5 October The warring factions agree to US-brokered ceasefire effective from 10 October and to full-scale peace talks in Washington beginning about 25 October.

may slip. But if it is fulfilled the participants will proceed to Paris for a full-dress peace conference.

Geneva, the scene of previous abortive conferences, tarnished by its association with the failed UN intervention in Yugoslavia, seems to have been

ruled out. This decision has more to do with symbolism than protocol and it is important. The next stage of the conflict will be managed by the major powers and policed by Nato. The UN will provide only a fig-leaf - one of the many consequences of this debacle.

The Clinton announcement coincided with a statement by the UN that 9,000 soldiers will be withdrawn from Bosnia, reducing the force to about 21,000. Those pulling out include Britain's 24th Armoured Brigade, whose deployment had been blocked by the gov-

ernments of Bosnia and Croatia. If they go back - and it is a bigger "if" than many think - they will go as part of a Nato peace implementation force, including US ground troops.

It is usually wise to read the small print in official statements about Bosnia and the rel-

evant clauses in American pronouncements are those which assert that the Nato peace force will only arrive after a peace settlement has been reached. That means after the successful completion of the 10 October ceasefire, the 25 October talks and the Paris peace conference.

Little wonder that the British UN commander in Bosnia, Lt Gen Rupert Smith, is preparing for a different set of contingencies. Generals are sometimes accused of planning to fight the last war. Gen Smith has refined the process. His dispositions envisage a continuation

of hostilities on or about present levels, the absence of an overall settlement and the extended presence of a smaller peace-keeping force centred on Sarajevo. Much like the status quo, in other words.

Lord Owen once remarked that the UN in Bosnia was all

a matter of bluff. Mr Holbrooke has skimmed so quickly over the Balkan quagmire that it has not yet sucked at his shoes; his agreements are verbal, his understandings matters of honour. The bluff will soon be called. Only Mr Clinton can convert it into fact.

## The eight points that spell hope

Text of the ceasefire agreement for Bosnia announced yesterday by President Bill Clinton, as released by the US embassy in Zagreb, Croatia:

1. Commencing on the effective date defined in para 2 below, the parties will implement a ceasefire throughout all territory within the borders of Bosnia-Herzegovina by terminating all hostile military activities and by implementing the other provisions of this agreement.

2. The ceasefire will become effective at 0001 hours on 10 October 1995, provided that full gas and electrical utility service shall have been restored to the city of Sarajevo; otherwise, the ceasefire will become effective at 0001 hours on the day after such restoration.

3. In order to allow for the negotiation and the commencement of the implementation of a Peace Agreement, this ceasefire will last for 60 days or until completion of Proximity Peace Talks and Peace Conference, whichever is later.

4. Pursuant to the ceasefire obligation, on the effective date all parties will immediately ensure that all commanders issue and compel compliance with clear orders precluding (a) all offensive operations, (b) patrol and reconnaissance activities forward of friendly positions,

(c) all offensive weapons firings including sniper fire, (d) the laying of additional mines, and (e) the creation of additional barriers or obstacles.

5. Upon the effective date all parties will immediately ensure (a) that civilians and prisoners will be treated humanely and (b) that all prisoners of war will be exchanged under Unprofor supervision.

6. Commencing on the effective date, the parties will cooperate with the ceasefire monitoring activities of Unprofor and will immediately report violations to appropriate Unprofor authorities.

7. Commencing on the effective date all parties will provide free passage and unimpeded access between Sarajevo and Gorazde along two primary routes (Sarajevo-Rogatica-Gorazde, Belgrade-Gorazde) for non-military and Unprofor traffic.

8. During the period of the ceasefire, the undersigned will fully honour the obligations undertaken through the Geneva Agreed Basic Principles of September 8, 1995, the Framework Agreement of September 14, 1995, including (without limiting the generality of the foregoing) the obligation to afford all persons freedom of movement and displaced persons the right to return home and repossess their property.

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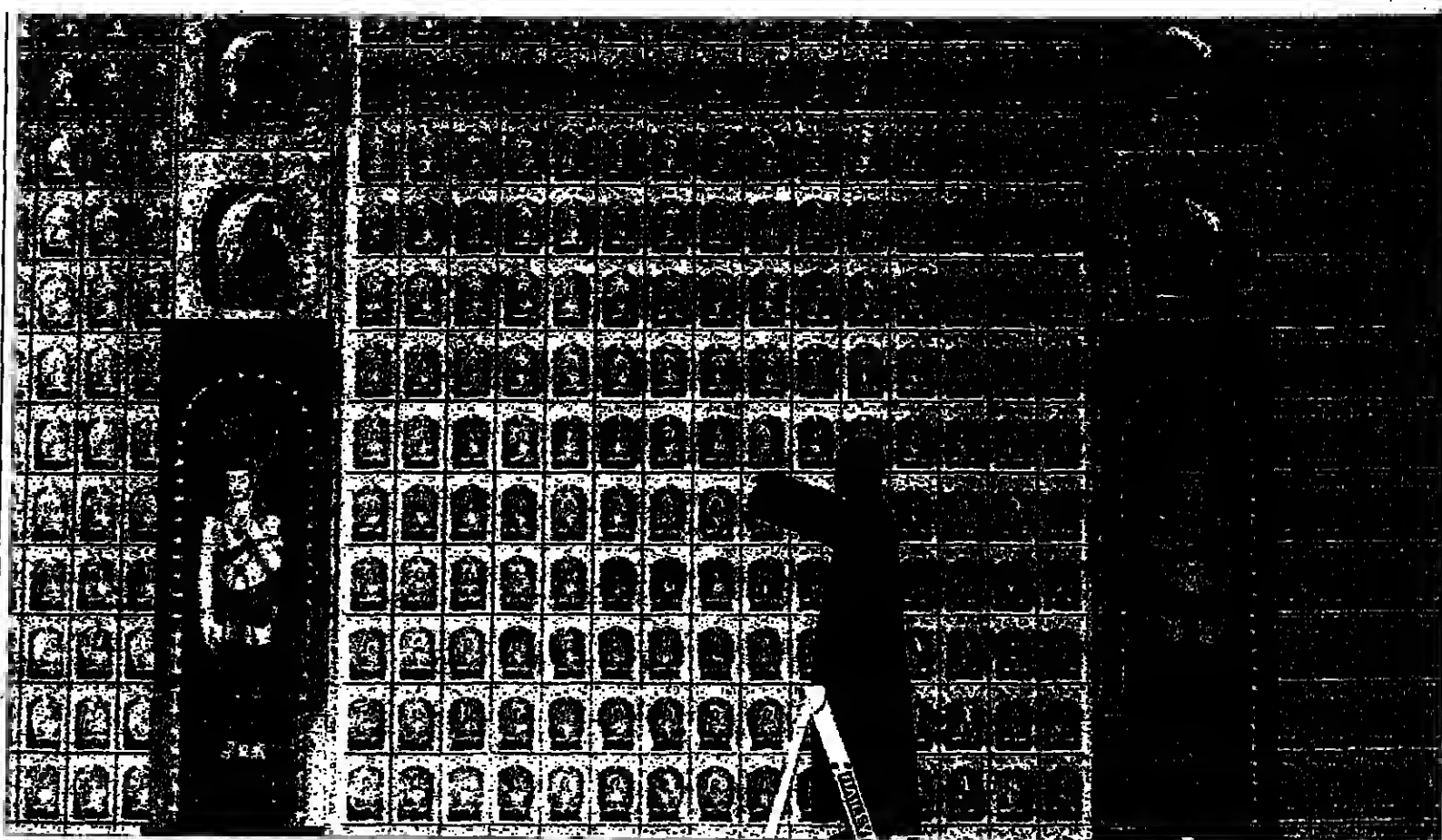
Moi shields  
Rwanda  
suspectsPAULINE JELINEK  
Associated Press

Nairobi — President Daniel arap Moi refused yesterday to extradite former Rwandan officials living in Kenya who are wanted for trial before an international court on genocide charges.

He said that any international officers who try to apprehend suspects in Kenya will be arrested upon arrival.

"It's outrageous," said Rakiya Omaar, of the London-based Africa Rights. She added that Kenya is one of the main countries in the world harbouring suspects from the genocide that killed an estimated 500,000 people, mostly ethnic Tutsis. "Moi [is] making it very clear that these people have complete and total impunity, not only for now but for ever."

Justice Richard Goldstone, chief prosecutor of the international tribunal, demanded an explanation in a letter sent yesterday to President Moi. He added that Kenya's position would violate international law.



Omnipresence: The Rev Man Chu checks 8,000 golden statues of the Buddha for the opening tomorrow of the \$22m Nan Tien Temple, near Sydney. The largest Buddhist complex in the southern hemisphere is the Australian HQ of Taiwan's Fo Kuang Shan Buddhists. Photograph: AFP

A relaxed  
coup leader  
surrenders  
to FranceTOM COHEN  
Associated Press

Moroni — Bob Denard and his two dozen soldiers of fortune surrendered to French special forces and police yesterday, a week after he launched his third coup in the Comoros islands.

In driving rain, "Colonel" Denard was the first to walk out of military headquarters and undergo a body search by two French commandos. He appeared relaxed, joking with French journalists. The commandos then escorted Africa's most notorious general-for-hire to a car.

Two of his lieutenants followed and were placed in separate cars. The three vehicles sped to an abandoned airfield near Moroni's harbour, and from there Mr Denard boarded a helicopter for Hahaya airfield, 12 miles north of the city.

He had negotiated with French officers yesterday, agreeing to surrender after being assured his men would not be harmed. "I don't consider myself a prisoner," Mr Denard told journalists as he surrendered. "There are no conditions, there is no surrender... today it's raining and Comorians are crying."

Mr Denard claimed to have taken over the Comoros to save them from a corrupt president. But one Comorian, Abda Mohamed, smiled as he watched the motorcade go by the harbour. "He's gone. It is good," he said. "Now the French must leave us alone."

The other mercenaries and 300 Comorian soldiers who had embraced the coup followed Mr Denard out in groups of 10, and were driven away in minibuses.

Hours after the French took control on Wednesday, Mr Denard freed Mohamed Djohar, the president he deposed one week ago, and announced he was ready to give up on his latest coup attempt.

Mr Denard, grey-haired and limping after decades of soldiering, has staged several coups on this poverty-stricken chain of islands between Mozambique and Madagascar, which he ruled through figurehead presidents from 1978 to 1989, when France negotiated his departure. Wednesday's intervention seemed to mark an end to French tolerance for the buccaneering figure who has claimed to have served French interests around Africa.

At least three people died and 11 were injured in the dawn assault on Wednesday. The dead included two Comorian soldiers and a motorcycle rider killed by gunfire while transporting a French news photographer.

The French had demanded Mr Denard's unconditional surrender, saying they had issued an international warrant for his arrest. Prosecutors in France said that he had illegally left the country as they investigated his role in the 1989 death of another Comorian president, Ahmed Abdallah Abderrahmane.

In a radio broadcast on Wednesday, the Prime Minister, Mohammed Caabi el Yachrouout, who hid in the French embassy during the coup, announced an amnesty for all soldiers who supported the uprising.

Opposition groups accuse Mr Djohar of incompetence and corruption and have demanded new elections as soon as possible.

They were unlikely to support the new coalition government Mr Yachrouout announced in a fax sent to France on Wednesday.

Mr Denard had been living quietly in France since 1993, when he was given a five-year suspended sentence for trying to overthrow the Marxist government of Benin in 1977. He remains under a death sentence in Benin.

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This is one issue  
Juppé cannot duck

PEOPLE

Alain Juppé, the French Prime Minister, is getting help in his cost-cutting campaign from an unexpected source: *Le Canard Enchaîné*. For three months, the satirical weekly will mail free copies to Mr Juppé's home. This follows the Prime Minister's decision to slice the number of his office's 70 subscriptions by two-thirds.

"This is, anyway, much longer than many magistrates and friends of Alain Juppé predict he will stay at [Hôtel] Matignon [his official residence]," the paper said.

Opinion polls indicate Mr Juppé's popularity has fallen sharply amid criticism of his economic policies. He faces possible prosecution for ordering a reduction in the rent on his son's city-owned apartment when he was in charge of Paris's finances in 1989-93. Mr Juppé also allegedly made the city pay for 1m francs of renovations on his own flat.

The man who was Mayor of Paris when Mr Juppé was in charge of the finances, President Jacques Chirac, was "mad" and destined to become a global laughing stock, François Mitterrand has been quoted as saying.

Jacques Attali, a top aide of the former President, has just published *Verbatim III*, his third volume of memoirs of the Mitterrand era. "At heart, this man is mad. He says and does anything," Mr Attali quotes his former boss as saying of Mr Chirac. "He might get elected after me but he would soon be the laughing stock of the world."

Much of Mr Attali's book is devoted to Mr Mitterrand's dislike of his own former Prime Minister, Michel Rocard. "Rocard has neither the capacity nor the character for this post," he said of his 1988-91 Prime Minister. "But since the French want him, they'll get him."

Do politically correct Indonesian houses come in any colour you like, as long as they're yellow? The country's Minister of Information, Harmoko, has been accused of forcing government functionaries to paint everything yellow, the colour of the ruling Golkar party, which he heads.

Golkar's executive board "never ordered 'yellow-assion'".



Alain Juppé: Suffering a satirical attack.

but it is impossible to prevent members who want to paint their houses yellow," Mr Harmoko told the Antara news agency. The party has been accused of illegal electioneering in ordering people, mostly in central Java, to get busy with the paint brushes.

Mikhail Gorbachev told Reuters news agency in New York this week: "I haven't had a vacation in three years. It's not important if I like working or not — it's because I must; I should like to stroll in sunny places and lie on the beach."

Mr Gorbachev, who could be painting potatoes at his *dacha* — or painting it yellow — is on his sixth lecture and conference tour of the United States since he became a pensioner four years ago.

He is still thinking of running for the Russian presidency and is grappling with a problem few politicians ever face: what to do after profoundly changing history.

Mr Gorbachev says his drive to keep doing things comes from within. "When I went to school, no one ever sent me, no one ever watched over me," he explained.

"My mother and father did not even know what my grades were, but nonetheless, I finished. It's something nature gave to Gorbachev."

MARYANN BIRD



# After the verdict: Pay-TV chief attacks 'disgusting' \$20m auction as jurors open their hearts and Simpson himself phones in

## 'Obscene' contest for OJ interview divides media

TIM CORNWELL  
Los Angeles

The head of the largest pay-TV distributor in the United States has refused even to consider screening an interview with OJ Simpson. Hugh Panero, president of Request TV, said "somebody has to draw the line", adding such a show would be cynical, "even obscene".

Since Mr Simpson's lawyers have publicly aired the idea, promoters have been itching to get on board. Television viewers would typically pay anything from \$15 to \$50 (£10 to £32) to receive such a programme on satellite or cable. One producer offered publicly to guarantee Simpson at least \$20m (nearly £13m).

The mixed reaction in the entertainment industry to the Mr Simpson's acquittal of murdering his ex-wife Nicole and her friend Ronald Goldman was one measure of the public discomfort.

Though the trial of the century was over, the media circus continued relentlessly in a massive national talkathon. Gina Rhodes Rossborough, the latest juror to break her silence, opened her heart on *Oprah Winfrey*; schoolmates of the dis-

credited police witness, Mark Fuhrman, revealed he spouted racial epithets as a boy.

CNN's *Larry King Live* matched the defence lawyer Johnnie Cochran with an alternate juror, Watson Calhoun, a retired bus driver. That brought a telephone call to the studio from Mr Simpson himself. Slipping past the reporters who surrounded his Brentwood estate, he had earlier been reunited privately with his children: Justin, seven, and Sydney, nine.

Mr Simpson began by paying public tribute to Mr Cochran. But he attacked the prosecutors Marcia Clark and Christopher Darden for their "distortions" and TV trial commentators for perpetuating them.

"My basic anger is these misconceptions," he said. "Fortunately for me, the jury listened to what the witnesses said and not Marcia Clark's or Darden's, or anyone else's, rendition of what was said." When the show's host pressed him with questions, he said he had to go.

So many times, Mr Simpson said, he went back to his cell and could not reconcile what he saw on television with the day's events in court.

He admitted being the "shad-

owy figure" seen outside his house by the chauffeur Allan Park on the night of the murders, but insisted he was simply dropping his bags by the door.

There were few voices of reconciliation heard yesterday, or signs that racial differences on the role of Simpson, racism, and the Los Angeles Police Department had eased. Many blacks who talked publicly seemed to view the fact that 50 per cent of Americans disagreed with their verdict as a racist insult to the intelligence of the black-dominated jury.

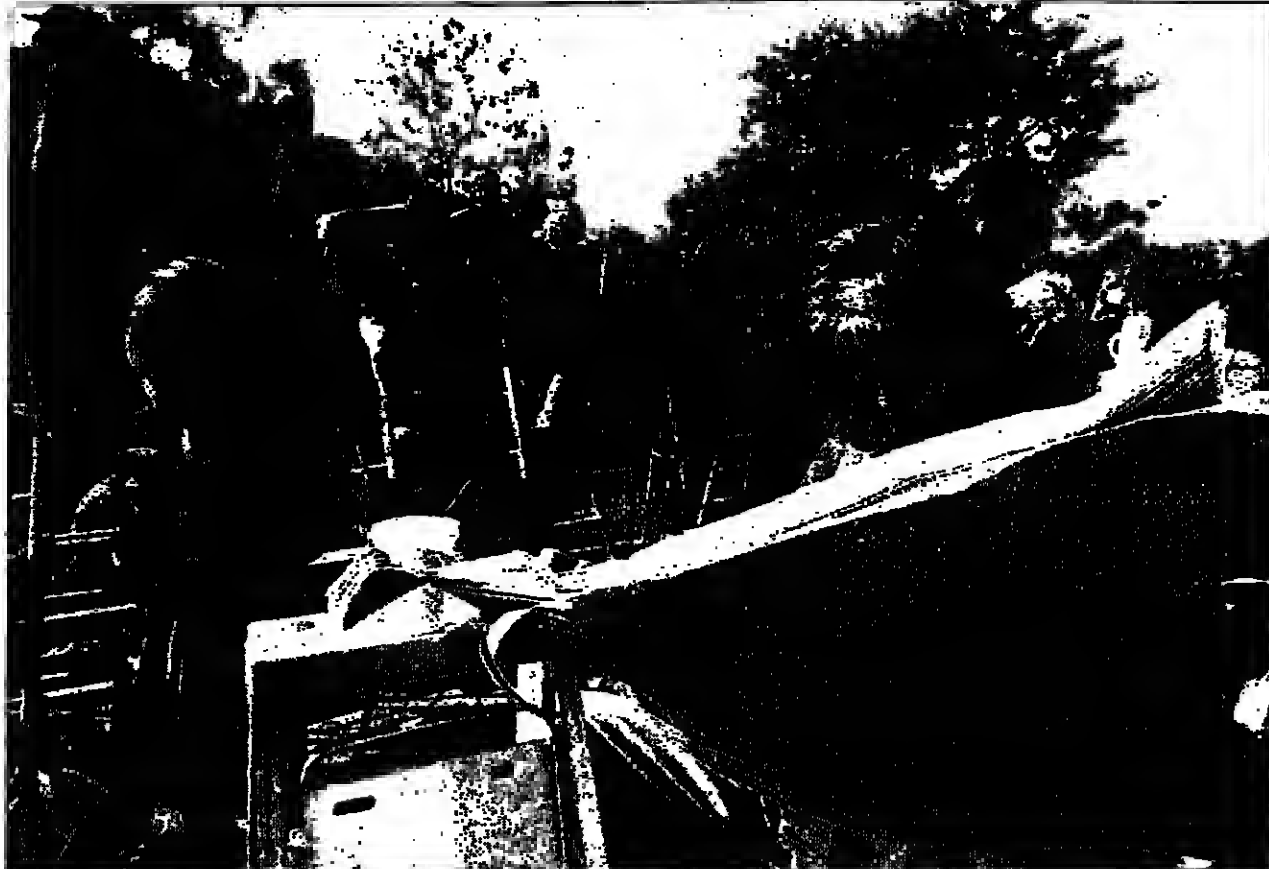
The decision by Mr Simpson's defence team not to put him on the stand prevented a damaging cross-examination in court. A pay-per-view appearance would offer a sympathetic platform to face the outstanding questions.

It could also more than pay off the reported \$5m (£3m)

mortgage he took out to meet legal fees. It would avoid the need to court sceptical advertisers - the Hertz rental car company, for one, has said it will not use him as its front man again.

With the prospect of tens of millions in revenues, at least one company is in talks with Mr Simpson's lawyers, and Request TV's main rival may be open to a deal. But other giants in the industry, including Time Warner's pay-per-view arm, the Home Box Office channel, and CNN, have also ruled it out.

In interviews, Request's boss, Mr Panero, did not mince his words. "One person was decapitated, another slashed to death, and two kids will never see their parents again. The idea of any 'special' exploiting this tragedy, regardless of whether Simpson did it or not, just disgusts me."



Media watch: Reporters massing outside OJ Simpson's home in the hope of an interview

Photograph: AFP

## Poor blacks in fear of white backlash

The right is already reaping the harvest of a 'political' verdict, writes John Carlin

Washington — There is a whiff of white backlash in the air since the not-guilty verdict in the OJ Simpson trial. Jesse Jackson says his office in Washington has been inundated with hate calls, so does a black church minister in Los Angeles. Radio talk show hosts say they have been besieged by angry white callers. Even white liberals have been outraged by what they see as a gross miscarriage of justice.

As for Mr Simpson himself, once the party's over he will look around him, glance at the security guards protecting his home 24 hours a day and contemplate the thought that while he escaped jail he will be a prisoner for the rest of his days of the fear that a deranged white man will gun him down.

The spur to white indignation has been the feeling that, for many people, the Simpson case was not a murder trial but a political trial, that the jurors were black. Johnnie Cochran, Mr Simpson's lawyer, at his word used the verdict to send a message to the white establishment, to the forces of law and order, that they were sick of racial discrimination. The point was not whether Mr Simpson had murdered his wife, the point was — and black people have been saying as much — to get him off.



Chris Darden: Prosecution lawyer faces death threats

As if to underline the point, one juror gave a black power salute in the courtroom after the verdict was announced; another said he had been convinced even before the trial began that Mr Simpson was innocent. One former black member of the jury who stepped down halfway through the trial said the verdict "was a great day for African Americans".

On hearing the verdict on Tuesday a throng of law students in a hall at Washington's all-black Howard University jumped up in celebration, cheering and dancing in scenes reminiscent of Soweto when Nelson Mandela was released from prison. Such is the significance the trial has acquired that Chris Darden, the black prosecution lawyer, has been accused of being an Uncle Tom. He has received death threats and been forced to hire bodyguards.

The question now is what form, if any, a white backlash will take. Already it is possible to detect in white people the attitude that with Tuesday's triumph the state of historical injustices endured by blacks has been wiped clean. "OK,

You've had your day in the sun, you've savoured your moment of liberation," is a prevailing white view. "Now the playing field is finally level. So stop whining and stop asking for special favours."

One thing that can be confidently expected is that the Republican impetus to stamp out affirmative action and cut welfare spending for the poor will gather new energy — and possibly new allies. Proposals for tougher laws to protect "victim's rights", a catchword of the US right, will generate a wider appeal among the voters of Middle America.

For few people are under any illusion that when politicians talk about fighting crime, they mean black crime: figures released this week revealed that on any given day one in three black Americans in their twenties find themselves under the supervision of the criminal justice system. It has been a long established fact that while blacks make up 12 per cent of the national population, they make up more than 50 per cent of the prison population.

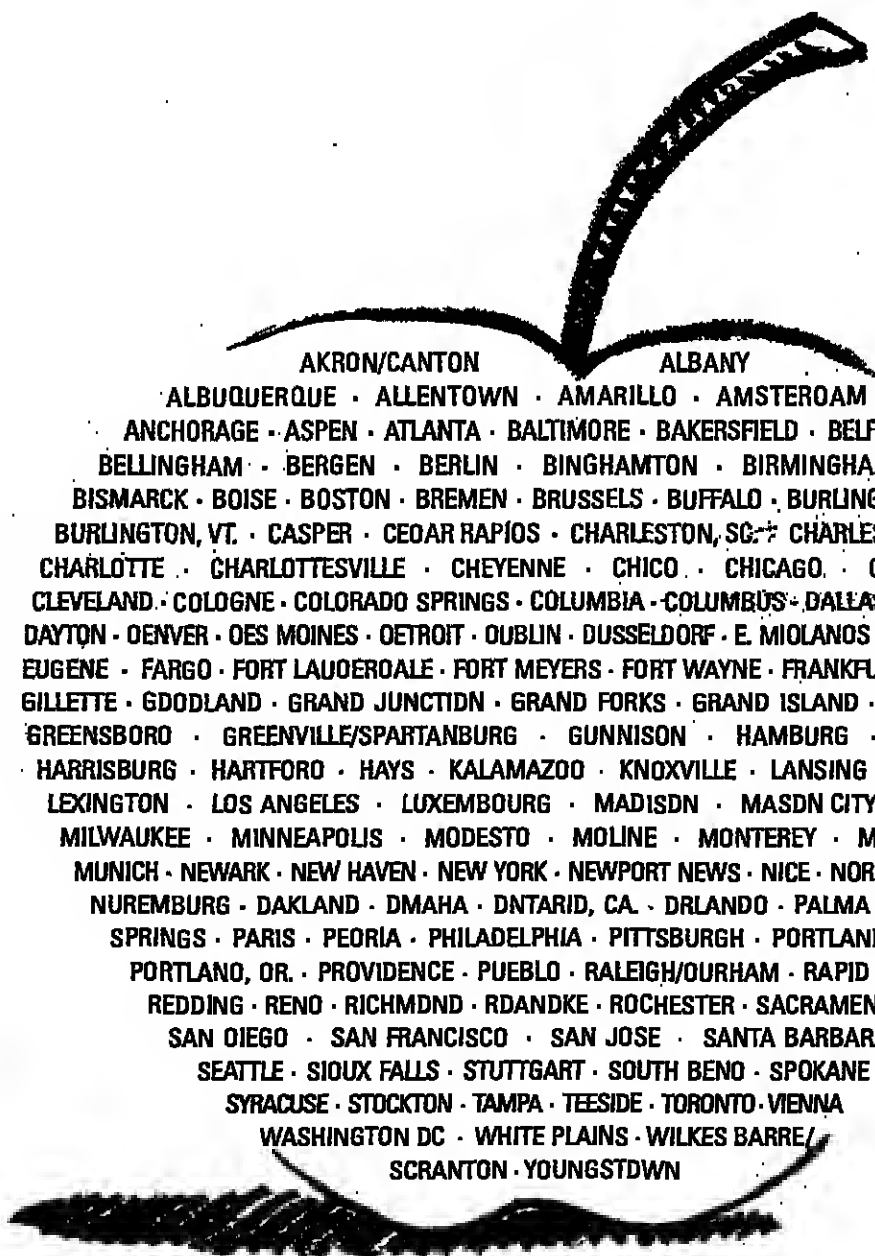
Complaints that these figures illustrate the institutional discrimination to which black people are subject in America will now fall on ears even more deaf than before.

The price of OJ's triumph may be high for black Americans. Some are beginning to realise this. A public defender in Los Angeles said yesterday that there was a great deal of foreboding among her colleagues. Public defenders are the lawyers provided by the state to people who cannot afford to pay millions of dollars, as Mr Simpson did, for a legal "dream team". In other words, the vast majority of Americans who pass before the courts depend on public defenders for their freedom, and often for their lives.

"Already our clients have the odds stacked heavily against them," said the Los Angeles public defender, who did not wish to be named. "We're now bracing ourselves for tougher laws, tougher juries, if they happen to be white, and humiliated cops out to get revenge."

The laws in California are already tough enough. Within 20 minutes of the Simpson verdict being delivered a black drug addict stood in another Los Angeles court awaiting sentence for possession of crack cocaine. This was his third conviction. California has recently introduced a law known as "three strikes and you're out" — meaning that after a third conviction the authorities lock you up and throw away the key. The black addict received a sentence of 25 years — the same as Mr Simpson would have received had he been found guilty.

"Three strikes and you're out" is sure now to generate a stronger appeal than ever in states beyond California. And it is blacks who will suffer the worst of the consequences. Poor blacks — not rich blacks like Mr Simpson.



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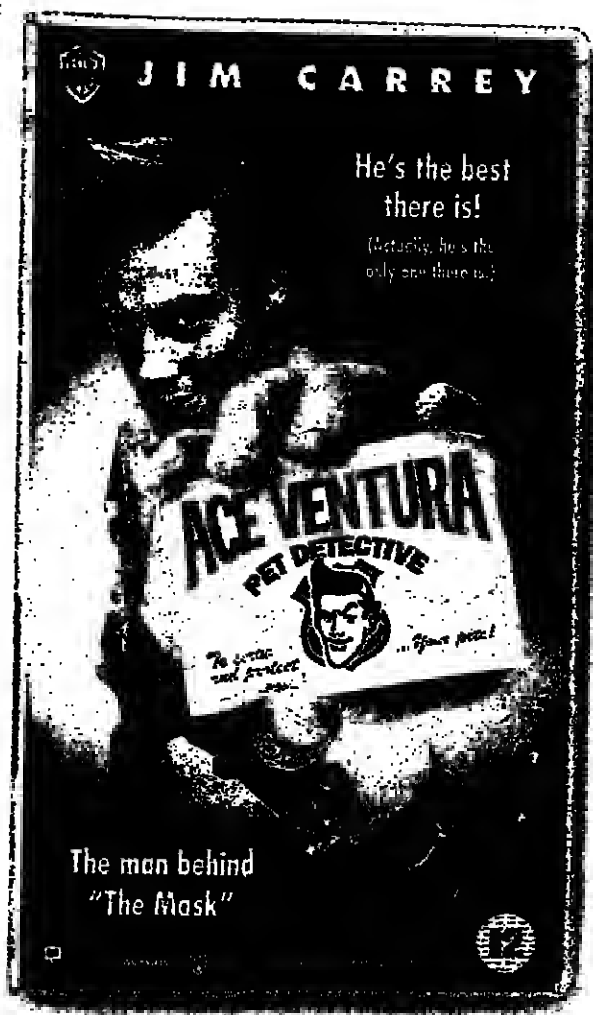
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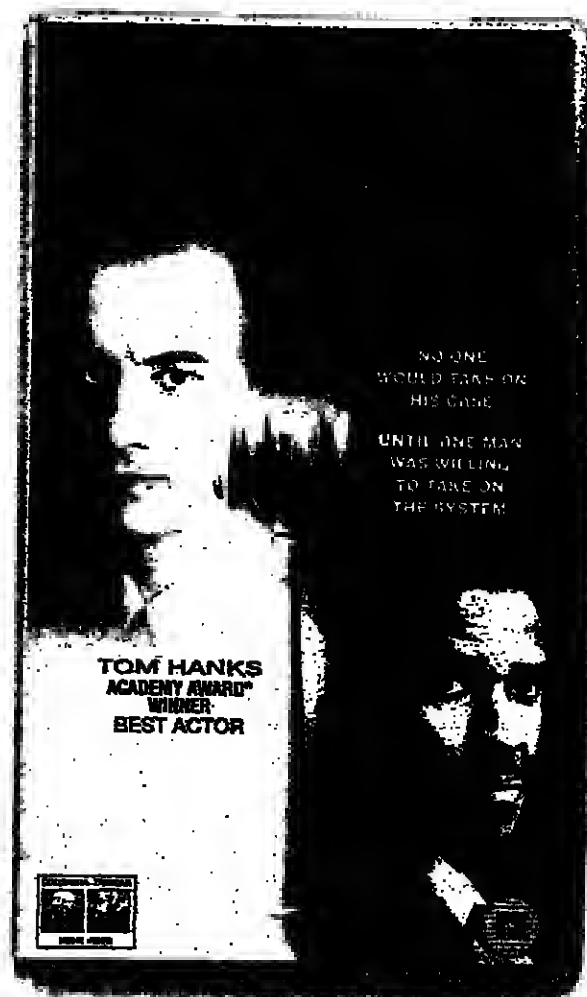
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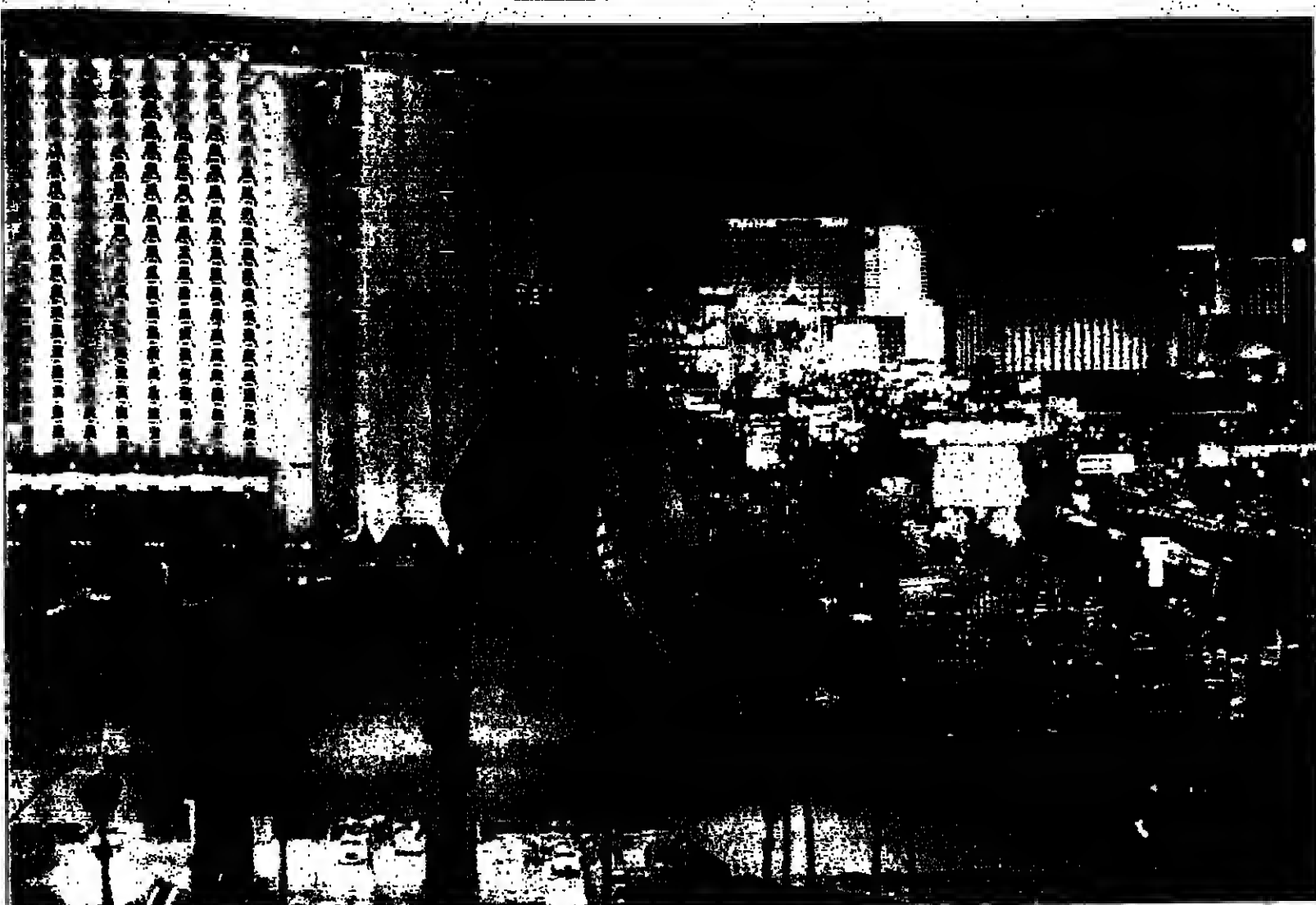
# The Pope calls on UN to be a real 'family of nations'

DAVID USBORNE  
New York

The Pope stood before the General Assembly of the United Nations yesterday and called on the organisation to transform itself into a "family of nations" that fosters greater equality and mutual trust between its members. Sealing a new bond between the Vatican and the UN, John Paul II spent several hours at the organisation's New York headquarters, conferring with the Secretary-General, Boutros Boutros-Ghali, and acknowledging the adoration of hundreds of cheering staff members. The Secretary-General and his wife presented a medallion to the Pope, who in turn gave them small boxes with rosary beads. The visit to the UN, during which he also said prayers before a memorial to UN workers who have died carrying out their duties around the world, was billed by the Vatican as the centrepiece of the Pope's five-day trip to the United

States, which will include a huge open-air mass in Central Park, New York, tomorrow and conclude with a visit to Baltimore on Sunday. In a philosophical and often dense address to the assembly, the Pope suggested that because of changing conditions around the world - in which freedom is threatened by extreme nationalism and the continuing inequality of the developing South and the industrialised North - the UN should be primarily concerned with resolving conflicts. The UN, he declared, needs to "rise more above the cold status of an administrative institution and to become a moral centre where all the nations of the world feel at home and develop a shared awareness of being, as it were, a 'family of nations'". Underlining the threat represented by extreme nationalism and religious fundamentalism - what he called the "fear of difference" between different

groups - he warned that they can "lead to a true nightmare of violence and terror". As examples, he cited the recent conflicts in former Yugoslavia and central Africa. Bosnia was a central topic of the Pope's meeting with Mr Boutros-Ghali. Without offering prescriptions, the Pope indicated that the UN should undertake internal reforms to meet the responsibilities he sees for it. "This is the high road which must be followed to the end, even if this involves appropriate modifications in the operating model of the United Nations." Echoing the complaints long expressed by developing countries in the UN that their needs have been pushed aside by the larger nations, and particularly by the five permanent members of the Security Council, the Pope added: "In an authentic family the strong do not dominate; instead, the weaker members, because of their very weakness, are all the more welcomed and served."



Giant hallucination: In Las Vegas and the Luxor Hotel, you regress into a child-like state where anything seems possible. Photograph: Eric Sander

## LAS VEGAS DAYS

### A camel's-eye view of world's eighth wonder

I was standing in the lobby of my hotel cavedropping on a conversation between two camels. One was called Jody. The other Elias. "Boy!" said Elias. "It was a long walk from Egypt but it sure was worth it!" "It certainly was," gushed Jody. "In fact, the Luxor Hotel is the eighth wonder of the world!" It is not often that you find yourself in agreement with a camel, but the moment you set eyes on Las Vegas you regress into a state of child-like wonder where absolutely anything seems possible. On the night over I had read Hunter S Thompson's *Fear and Loathing in Las Vegas: a savage journey to the heart of the American Dream*. Thompson arms himself for the expedition with a suitcase-full of psychedelic drugs but discovers upon arrival that the precaution has been redundant, that Las Vegas itself is one giant hallucination. For myself, all I can say is that life up to this point had failed entirely to prepare me for Las Vegas's newest creation, the Luxor Hotel, a giant pyramid of black glass guarded by a sphinx

I might not have noticed that their bodies, between the base of the neck and the base of the tail, were inert. In a photograph you could not tell the difference. I went up to my 15th-floor room in an "incinerator" with a mirror for a ceiling and emerged rather woozily to discover that I was peering at the top of New York's Chrysler Building. King Kong was clinging to the spire. I fled to my room - reassuringly mundane save for the hieroglyphics on the cupboard - and sought comfort in a TV. So familiar and yet, suddenly, so far away. I turned off the TV and looked out on to a mountain mooncape. For an instant I wondered if it was made of papier mâché. Next morning I went for breakfast to the Pyramid Café. (I wasn't quite ready yet for Tut's Hut, Nefertiti's Lounge and the Sacred Sea Restaurant.) On the menu was a dish called Pharaoh's Phavourite, of "delicious chicken fried steak smothered with country gravy and two eggs any style, served with hashbrowns and toast". I decided to settle for the Eggs Benedict Cheops. Then I went for the cruise on the Nile. Me and 15 others on a barge with a guide in a safari suit, who warned us as we stepped aboard that the Goddess Isis had issued a commandment forbidding smoking. Propelled along 300,000 gallons of water by a man-made current, we circumnavigated the interior of the pyramid. "To our right is the Valley of the Kings," said the guide, pointing to a mural, "and just ahead, to our left, Ramesses III on a chariot!" Mysterious music filled the air. We turned a bend and on the shore, through a mist, saw a mirage: a damsel in a Cleopatra wig performing a silent belly dance. We blinked and she was gone. Then into a tunnel where movie mysterious music filled the air. Men wearing white kilt-like kilts on their heads were playing flutes and small drums. I could have spent a month sampling the wonders of this adult Disneyland. Among the things I managed to see were the Tutankhamun's Tomb museum, which contained replicas of 3,000-year-old cats with golden coats and turquoise claws; the hotel souvenir shop where, they sold do-it-yourself "How to make a mummy" books, smelted pyramids "Made in Mexico" and, for \$45,000, a sarcophagus made in the year 2000 BC and Pharaoh's Theatre, where a 15-show was playing to packed houses of Middle Americans in shorts. On the way out to the airport, I paused to bid my last farewell to the camels. They were still nattering away. "I know the names of the tributaries of the Nile?" said Elias. "You do?" said Jody. "Yep!" "I'm proud of you Elias. What are their names?" "They are called the juveniles!" I stepped out into the bright desert sunlight and set off on the long trip back to adulthood and the real world.

JOHN CARLIN

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## international

## Nation ruled by its divisions

The desk and tables are covered with chrome executive toys. Downstairs in his garage, Alhaji Lema Jibrilu keeps an even more impressive collection of playthings: shining Mercedes and four-wheel drives.

Mr Jibrilu, a former presidential candidate, is a member of Nigeria's northern establishment, a man of wealth, influence and friends in high places. He is the archetypal *ogba* or Big Man. His ante-room is filled with a constant stream of petitioners and favour-seekers.

His home — all white marble and gleaming gilt — is in Kaduna, built by the British early in the century as capital of the northern region. Kaduna is noticeably cleaner than other Nigerian cities and there are imposing villas on the outskirts. Mr Jibrilu denies belonging to the city's "mafia", a clique of northern power-brokers which many southerners believe dominates Nigerian politics. It may be — as Mr Jibrilu insists — a myth, but it is, nonetheless, a potent one.

There is no denying the influence of the north on Nigeria's political stage. Maybe "stage"

## David Orr goes to Kaduna to meet one of northern Nigeria's 'big men'

is not the appropriate word here for, under the military regime, the business of government is conducted far behind the scenes. Notions of public accountability do not figure in the thinking of the Provisional Ruling Council which has been in control for nearly two years and which, it was announced at the weekend, is set at least for another three.

Soon after seizing power in the wake of the annulled presidential election in 1993, General Sani Abacha set about dismantling all democratic institutions, and arrested and detained journalists, members of the opposition, and civil rights activists.

The Abacha regime is the latest in a long line which centres on the north, home of the Hausa-Fulani ethnic group and cradle of Nigerian Islam. Only three out of 10 leaders since independence in 1960 have come from the Christian south. The Yoruba of the south-west and the Ibo of the south-east

have long felt themselves disenfranchised by northern political domination.

Mr Jibrilu is far from being an apologist for the Abacha regime, which he says took power by force. He hoped for a shorter transition period to democracy than three years, but is unapologetic in championing northern virtue and supremacy.

"The politicians from the north are more dynamic in their approach", he said. "Southerners are lazy. They just want the presidency on a golden platter." There is no irony in his smoky voice. He sets little store by the fact that Chief Moshood Abiola, a Yoruba and a Muslim, is believed to have won the 1993 election which, as soon as the results became clear, was annulled by the then military ruler, General Ibrahim Babangida. Mr Jibrilu has no sympathy for Chief Abiola, who has been in jail since last year for proclaiming himself President in defiance of the ruling council and who faces a charge

of treason. New presidential and legislative elections are not to be held until 1998.

Mr Jibrilu is intolerant not only of pushy would-be presidents but of southern politicians who have been jailed for opposing the dictatorial regime of General Abacha. "There is no infringement of human rights in Nigeria", he insisted. "The pro-democracy movement is nothing but a gang of tribalists and anarchists." His stern views are not representative of all the north, for there are moderate voices here as well. But they are indicative of a perspective which sees the south as divisive and unruly.

"Northerners regard southerners as people they don't know well enough to trust with their fate", said Adamu Ciroma, another Kaduna *ogba* and a minister in the Abacha government until he was sacked earlier this year. The Yoruba and the Ibo are seen to be divided and unstable.

Like most northerners, Mr Ciroma knows that the ruling council had no option but to accept the proposals of a government-sponsored constitu-

tional conference for the rotation of the presidency between north and south. General Abacha has also the recommendation further, and, from October 1998, six key positions, including those of president and prime minister, are to be rotated among six newly created zones over a 30-year trial period. Whether this represents a victory over northern dominance remains to be seen.

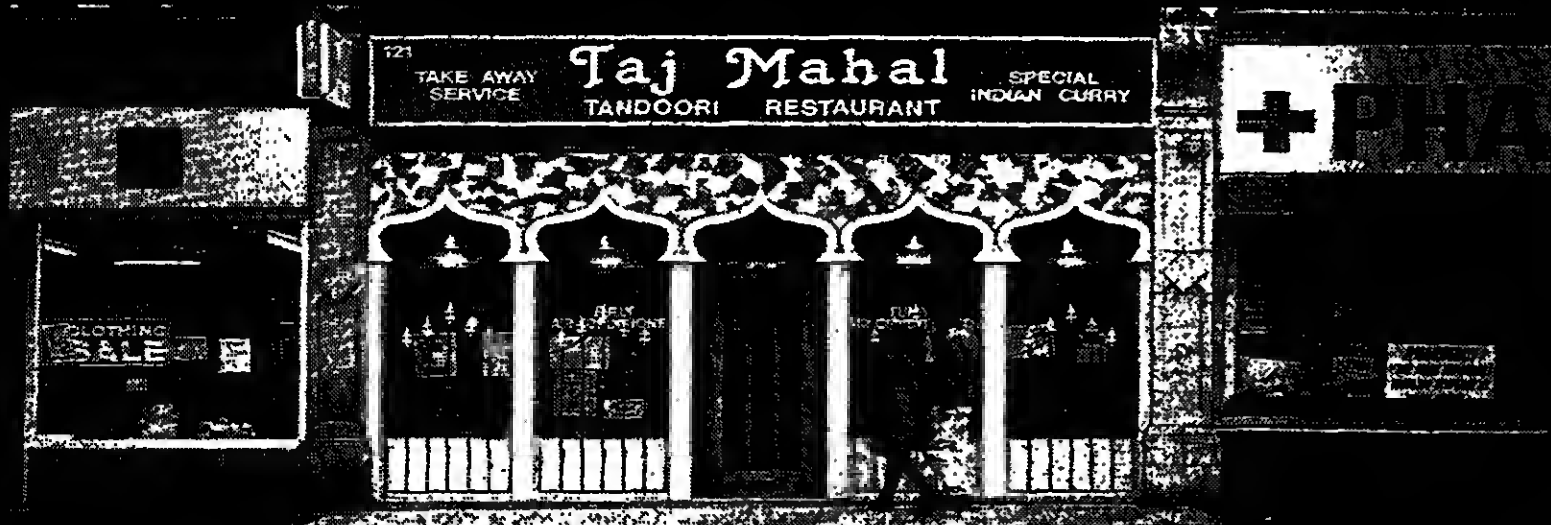
Chief Abiola's constituency is not just among the Yoruba of the south-west. His Muslim faith gave him national appeal — and a majority in the north. For the time being, the primacy of the north remains an unescapable reality, deeply rooted in political tradition. It was fostered by the British colonial policy of divide and rule, and was continued after independence by leaders who put the interests of their region before those of the federation.

Perhaps most significantly, the north is the power-base of the military. And Nigerians are only too aware of the military rulers who have failed to deliver on their promises of a return to civil rule.



Hidden treasure: Divers in an inflatable raft assist a crane at the port of Alexandria as it lifts a 2,000-year-old Greek statue of a woman's torso in red granite from the sea bed. Archaeologists hope to soon bring to the surface parts of the white marble Pharos lighthouse, one of the wonders of the ancient world. Photograph: AP

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## IN BRIEF

## Weakening Hurricane Opal kills two

Fort Walton Beach — The tail-end of Hurricane Opal tore through the US South, claiming two lives, as residents of Florida's Panhandle began the clean-up from the third hurricane to strike there this season. Opal weakened to a tropical depression by late morning, moving north after its Wednesday evening landfall, down from peak sustained winds of more than 150 mph. But wind and rain remained a threat and gale warnings were in effect. *Reuters*

## Israeli right vents anger against Rabin

Jerusalem — Thousands of right-wing Israelis protested against the Jewish state's peace deal with the PLO yesterday as the Prime Minister, Yitzhak Rabin, tried to win approval for the accord in parliament. Angry demonstrators lined the streets in downtown Jerusalem holding torches and shouting "Rabin drop dead; we don't want you any more." *Reuters*

## Amnesty man barred from China

London — An official of Amnesty International said he was barred from entering China for an international conference on corruption, despite having an official invitation. "We can only interpret it as punishment for Amnesty International's outspokenness at the Peking women's conference," said Nick Howen, Amnesty's director of legal and international organisations. Mr Howen, an Australian citizen, returned to London. *AP*

## Car bomb kills nine at Algerian hotel

Paris — A car bomb exploded in a parking lot at Les Deux Palmiers hotel in Dzaïr Ben Khedda in Tizi-Ouzou province, 55 miles east of Algiers, killing nine people and wounding 19, an official Algerian statement said. *Reuters*

## Key ministers named in Portugal

Lisbon — António Guterres, white Socialist Party won general elections in Portugal after a decade of rule by the Social Democratic Party, named four key ministers — Jaime Gama, foreign minister; António Sousa Franco, finance minister; Daniel Bessa, head of a new "super-ministry" in charge of industry, trade and tourism, and António Vitorino, defence and presidency minister. *Reuters*

## End of the line for 'Thelma and Louise'

Toronto — Five months after jumping \$500,000 bail in Houston, two Americans known as "Thelma and Louise" have been arrested in Toronto. Joyce Carolyn Stevens, 31, and Rose Marie Turford, 36, wanted on charges of kidnapping and robbery, were held after police received an anonymous tip. Later, they were seen laughing in an immigration department car en route to a city detention centre. They were dubbed "Thelma and Louise" after the 1991 film of that name about two young women who go on a crime spree. *AP*

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SCHOOLS

- Technology in Britain's 54,711 schools is patchy: few have independent links to the Internet. So BT's information superhighway would be invaluable.
- Children from around the world could work together on science - or Satra.

COLLEGES

- Students would benefit from BT's technology, but most academics in Britain's 139 universities and colleges of higher education are already on-line with a system named Janet - the Joint Academic Network.
- Janet is a government-funded system which links academics worldwide.
- SuperJanet has now been launched: a bigger and better multi-media version of Janet. BT's superhighway may seem slightly redundant.

LIBRARIES

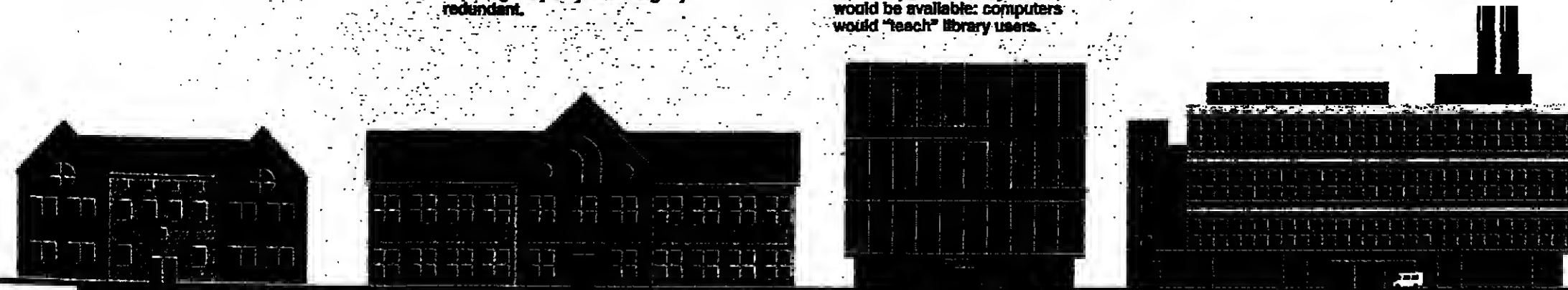
- The 1995 Public Library Review recommended that the nation's 4,363 libraries should be connected to the information superhighway.
- Libraries have their own community information modules and PCs linking to the Internet. But the BT network would offer more extensive information to the public and would connect libraries nationwide.
- On-line interactive courses, based on the Open University model, would be available: computers would "teach" library users.

HOSPITALS

- 1,600 hospitals throughout Britain want access to SuperJanet and are worried that BT's network may be second class.
- An NHS-wide network - comparable with BT's superhighway - was scheduled for launch this autumn but has been delayed.
- Hospitals are determined to update their technology whether or not a Labour government comes to power.

BT'S ROLE

- It would cost BT an estimated £15bn to create a high-capacity nationwide superhighway. Additional cost to wire up hospitals, schools, libraries and colleges would then be nominal.
- A superhighway would provide multi-media services faster than possible with a PC, modem and phone line. These would include: two dozen TV channels, on-line shopping and banking, access to the Internet, access to businesses and video-conferencing.



# Blair, BT and smoke-filled rooms

Andrew Horsman explains Labour Party's sweet deal on the superhighway is a mistake

There is more than a little smoke in the air in Labour's new Labour. With BT, whatever the distinctly high-tech, modern features of the increasingly controversial deal.

By giving in to BT's loud and long lobbying, and promising to allow the telephone giant into entertainment broadcasting by 2002 at the latest, Labour says it can meet its prime objectives in the development of an information superhighway: guaranteed access for schools, libraries, universities, hospitals and local authorities, provided free of charge by BT.

The aim, say Labour's young technocrats, is to avoid the creation of an information elite, able to pay for the privilege of membership in the information society, and an information ghetto, cut off from the network.

The goal is laudable but the method faulty. For a start it is oddly (and uncomfortably) reminiscent of the Thatcherite strategy that favoured with the intervention of the state. In the Seventies, when Labour has been in power, why should BT get a monopoly? Admittedly it is a company of international dimension, and provides a service which many of Labour's own supporters would not want to see in private hands.

Rather than create a policy framework in which the rules, known as the rules, of the firm regulation is made by the government, Labour has decided to let itself be accused of a

closed doors deal. The government has been seen to be about the deal as it now stands? After all, since the Labour leader Tony Blair made his first reference to the agreement, at the party conference on Tuesday, the spin doctors have been hard at work. Already the issues look far less clear than first reports might have suggested.

It is worth remembering two things. First, Labour has stated openly since the summer that it was minded to see restrictions on BT lifted, allowing the company to offer broadcasting across its own network. This week's announcement, then, could hardly have come as a surprise.

Second, BT has been lobbying for some time to compete in the market for entertainment broadcasting. It has already decided to take over the cable licences in the Seventies, and here, either the Labour government is letting BT in eventually, or it is letting BT in eventually, or it is letting BT in eventually.

The "deal" looked less like a victory last night. Chris Smith, Labour's shadow heritage minister, and a leading light of the party, said that he is ready

to talk to the media, to see how they might use the information superhighway. He is now putting the deal on the "back burner". He has to be allowed to do so, in terms of the party's own policy, but the original cost of the deal, the schools and the hospitals, would spend half the cost of all-fibre optic networks.

More over, the deal is a state corporation. Tripartism crashed and switch to deflationary policy in 1966 to stave off balance of payments crisis.

1974-79: the social contract state. High inflation encouraged Government to co-operate with unions to implement incomes policy from 1975. In social contract, pay restraint matched with generous tax treatment of low-paid. Financial penalties threatened against employers who broke pay norms, controls placed on prices. Social contract broke down in 1978-79 winter of discontent. Aerospace, shipbuilding and British Leyland nationalised. National Enterprise Board, state quango, bought stakes in companies.

1997?: the broker state. Tony Blair is presiding over a big change in Labour policy. Unions would have much less influence

every time a school or hospital is paid every time a customer makes a telephone call. Small wonder that BT likes the idea.

Labour's central objective is to create an information superhighway that reaches out to all members of the community. The best way forward is to create a system that is open to all, and that is not controlled by a few powerful interests.

But to do this, it must be a state corporation. Tripartism crashed and switch to deflationary policy in 1966 to stave off balance of payments crisis.

1974-79: the social contract state. High inflation encouraged Government to co-operate with unions to implement incomes policy from 1975. In social contract, pay restraint matched with generous tax treatment of low-paid. Financial penalties threatened against employers who broke pay norms, controls placed on prices. Social contract broke down in 1978-79 winter of discontent. Aerospace, shipbuilding and British Leyland nationalised. National Enterprise Board, state quango, bought stakes in companies.

1997?: the broker state. Tony Blair is presiding over a big change in Labour policy. Unions would have much less influence

than with previous Labour governments, but would have some say in the setting of the rate for the minimum wage.

This week Mr Blair indicated an important strategy would be to broker deals with industry leaders. He would regulate monopolies, clawing back windfall utility taxes where profits were judged excessive. He would also secure concessions from big industry as the price of a licence to operate in certain markets. The "broker state" would, for example, ensure public institutions were linked to the information superhighway in exchange for BT being allowed to break into television broadcasting.

Given high levels of government spending and control over health, education, social security and defence, there is plenty of further scope for brokered deals.

Jack O'Sullivan

Jack O'Sullivan

Calculus of a doctor with a paltry £100,000 a year in Britain. It has already shown it is willing to pay for public service. There are no other alternatives. The industry combined with the state to provide a service for free. In addition, it has to pay for the service. The state has to pay for the service. The state has to pay for the service.

Whether Labour or the Tories win the next election, the market for entertainment broadcasting is inevitably going to be opened up to all-comers. Movies, sports and other light programming are perhaps the only sure-fire software capable of driving network development - the so-called "killer application" - as satellite company BSkyB has so conclusively proven in its use of movies and sport to drive satellite dish sales. If they are to supply the worthy services, providers will want to sell the popular offerings too.

But if that is the case, then why should BT be forced to wait? Why not allow everyone to pile in immediately, as soon as a Labour government is elected (or even, if the Tories can be convinced to change their minds, right now, under the present government)?

Labour will concede the answer. Cable operators launched their network building on the understanding they would be protected from BT's might for at least several

years. As the experience with Mercury, the second telephone service provider, attested, it is extremely difficult to contain the might of a monopoly - public or private. Cable, on the other hand, has been stealing 50,000 phone customers from BT every month, using lower prices and more flexible services as the bait - proof that regulation can enhance competition.

It is patently unfair to change the rules in mid-game. Cable operators sold shares to investors on the understanding that BT would be kept out of the entertainment market until at least 2001. Changes to that approach without close consultation with those affected, would seriously undermine investor confidence in the sector, and jeopardise its continued funding.

BT is keenly interested in having a precise timetable and less concerned (within reason) about exactly when it will be free to enter the now restricted market. It is the uncertainty about future regulation that most bothers BT management.

Finally, if there is to be one big market for telecommunications and broadcasting, with companies from either sector able to compete, then the current regulations are not enough. Rather than an Office for Telephony and an Independent Television Commission for broadcasting, Labour is surely on the right track with its suggestion of an Ofcom, an office to deal with all the competitive issues arising from the construction of an information superhighway.

The lesson? Fair regulation, consistently applied, must be better than stitch-ups in back rooms.

## Wilkes's

Wilkes has been spending the past week as an "observer" at the Labour Party conference in Brighton, which concludes today with a rabble-rousing speech by John Prescott, and a choir. The New Labour leadership has been delighted by the success of its strategy to disprove the Philip Gould memorandum (suggesting the party was unfit to govern) by making this one of the dullest conferences since the bomb at the Grand Hotel. The leadership thought its cup would run over when it read that Arthur Scargill was contemplating leaving the party to form an Old Socialist Labour Party. However, the general joy was cut short by Dennis Skinner. The Beast of Bolsover went across to Tony Blair on the platform yesterday morning to break the news of the favour he'd done for the Labour leader: "I've stopped Arthur Scargill leaving the party."

For once, the beatific smile was wiped off Mr Blair's face.

Wilkes has been sharing oysters with Nicholas Budge, the Tory MP for Wolverhampton South West, and Jerry Hayes, the Tory MP for Harlow, both also in Brighton as Labour conference observers. Perhaps it was the oysters, but Wilkes has been feeling like he had fallen into Alice Through the Looking Glass: all that was Right is Left and vice versa. Thus Mr Hayes has been telling his friends in the media that he has been attending the conference "as the token leftie". And Roy Hattersley was transformed from right-wing traditionalist into the darling of the Labour rank and file.

But Wilkes is happy to report that some things never change. Roy celebrated his personal triumph at the conference in fine style, dining in full view of the dispossessed in the window of Wheeler's Fish Restaurant in the Lanes.

Wilkes was invited as a guest of honour to the Brighton Races with Tony and Cherie Blair. John Prescott and Mr Prescott's delightful wife, Pauline, who knows a thing or two about racing, being a regular at Doncaster, another course run by the Labour local council. Wilkes decided to put his shirt on Navel Gazing. Mr Prescott advised against it. "We don't go in for navel gazing any more," he said. Needless to say, Navel Gazing romped home, and Wilkes collected £50 in winnings.

Kevin Keegan's meeting with Tony Blair on Monday had the Labour leader's aides beside themselves with glee. The Newcastle United manager, whose boss is John Hall, a friend of John Major, came as close as he dares to endorsing the Labour leader by describing Mr Blair as "a breath of fresh air". Then he played a blinder by agreeing to a photo-opportunity for Kev and Tone to play head-to-head with a football.

Just as the Blair Babes were saying "The boy done brilliant", Kev scored a bit of an own goal by asking for legislation to limit the price of football stadium tickets for fans travelling to away matches, to no more than they would be charged at home. This



Game of skill: Tony shows Kevin how

ingenuous Keegan Bill would mean Gordies would pay £15 to see their team at Tottenham instead of £25. But it was too interventionist for the Blair camp. "Sounds like old Labour to me," said one senior Blair adviser. I don't think Mr Keegan is going to be consulted on policy in the future. He's too left-wing.

As Tony Blair looks younger, leaner and fitter, Gordon Brown, the Shadow Chancellor, is looking beefier than ever. Perhaps Wilkes has discovered the reason. The Shadow Chancellor has been so much in demand for dinner with the hawks, he has been doubling up. Starved hosts have been told that Gordon has to leave sharp at 8.30 - because he has a second dinner. He is now known as "Two Dinners" by the media.

The passage of the Blair speech on Tuesday which won the biggest ovation was the well-crafted jibe at the Tories for wrapping themselves in the Union Jack while tearing to shreds the fabric of Britain. The author was Alastair Campbell, Mr Blair's press secretary and former political editor of Today. Diligent readers may have spotted it used once before, in one of his columns for that newspaper.

Wilkes hears that Mr Campbell and his young Turks also drew up a list of jokes for the Blair speech, including the Cantons crack about kicking Tories in the teeth. Mr Prescott, the deputy leader, was invited to take his pick of some of the lines they could not fit in, but firmly informed the inner sanctum that he did not want any cast-off jokes for his closing speech today, thank you very much. Honest John is quite capable of thinking up his own.

Joy Johnson, the Labour leadership's press person in charge of rebutting false rumours had to rebut one about herself yesterday. Rumours even reached Conservative Central Office that she had threatened to resign after a tiff with Alastair Campbell about his gaffe in sending a fax to complain to the BBC about using OJ Simpson before the Blair speech on the TV news. All got up by the press, she said.

Wilkes will be joining the media caravan when it moves on to Blackpool this weekend for the Conservative Party conference. There, Conservative High Command will be pulling out all the stops to show that the party is united again. And the buzz around media bunker at Brighton is that the key social event of the week will be the return of Lord Archer's party. Yes, Jeffrey is back.

The resumption of the late-night supper party hosted by Lord Archer suggests that all is well again in the heart of the Major camp. But Wilkes can advise those seeking to gatecrash



Would you party with this man?

the VIP floor at the conference hotel that the best-selling author has what is known in the club business as a strict "door policy". Only Fleet Street's finest are admitted, and he is pretty choosy about the Conservatives he invites for Krug and shepherd's pie at midnight.

Brian Mawhinney, the party chairman, has decided to follow the example set by the spoilsport organisers of the Last Night of the Proms, at which John Major shared a box with the BBC's John Birt. The Conservative Party conference agenda carries the following warning: "Balloons - under no circumstances can balloons be taken into the conference hall." Wilkes has no intention of letting such domestic unpatriotic exhortations spoil his conference fun, you can be sure.

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# INDEPENDENT

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## Labour dials a wrong number

Labour is losing its competitive edge. Mr Blair's British Telecom deal announced on Tuesday, was extremely ill advised. Whether an exchange of favours between a putative future government and a monopolistic business, or simply a gimmicky spin for conference on a sensible regulatory change, Mr Blair has sent a worrying signal to the British consumer.

It looks, on first sight, like a neat idea. Give BT access to new markets, and in exchange, they will connect schools, hospitals and libraries to the so-called information superhighway for free. Good for BT, which can mount a challenge to the North American utility companies now cabling much of Britain, and good for consumers, since it brings more competition into a growing part of the telecoms market. Good, too, for schoolchildren, patients and library users, who may otherwise not have the funds to connect up to the knowledge revolution.

But it doesn't quite work like this. BT is being prevented from selling home entertainment services precisely because it did not get on with the job when it had the chance. Cable video is potentially a very lucrative area of business, but it is also an extremely expensive one to enter. Unless the cable companies had been given a period of protection, unthreatened by the better established BT, they would never have had the incentive to invest.

Those who favour grand industrial strategies devised in Whitehall will argue the case for granting BT special favours to avoid the risk of rival cable-layers wasting money duplicating the network. A privileged BT, the argument runs, would have more chance of emerging as a strong, international player. But this ignores strong evidence that companies mainly become world-beaters by being forced first to compete in their home markets.

The challenge for government is to ensure that the regulatory framework gov-

erning this fast-moving industry furthers at all times the interest of the consumer; that is the way to apply the pressure on the industry to become efficient.

This is not to say that the rules governing the cable video business should remain the same beyond 2002, when the current deal expires. BT almost certainly should be allowed to enter the market then, although that may require further action in the meantime to expose BT to additional competitive pressure in its other markets. The long-term aim is a free market through telecoms and broadcasting, with regulation only where the consumer interest requires it.

The problem is that Mr Blair presented this otherwise sensible regulatory change as a deal, an exemplary act of "new Labour, public and private working together".

So in place of beer and sandwiches with the trade unions, new Labour has wine and canapés with the bosses – still supporting producer interests rather than the little guy.

BT is apparently giving consumers something for free, but that is not what private sector corporations do: they earn profits for their shareholders and seek to use their influence with governments to maximise those profits. There is no such thing as a free telephone line.

Labour is in effect advocating a one-off boost to BT's monopoly power where some of the excess profits are used to do what the state wants, rather than allowing the regulator to ensure that this surplus is passed back to the consumer.

Mr Blair presumably thinks that the BT deal demonstrates the party's enthusiasm for working with the private sector. Yet it flies in the face of a promising trend in Labour's economic thinking in favour of promoting competition, attacking vested interests and standing up for the consumer. Mr Blair should ditch the BT deal, back customer power not big business, and, above all stop making policies on the hoof.

## Howard plays the race card

Michael Howard is a senior member of a government which has promised to cut the red tape that burdens small businesses. However, as we report today, he remains determined to introduce yet another piece of regulation. The Home Secretary wants employers to check whether they are giving jobs to illegal immigrants.

It is hardly surprising that employers' organisations, such as the Federation of Small Businesses, are protesting. Already awash in VAT bills and tax returns, they are in no mood to become immigration inspectors as well.

But if Mr Howard is unmoved by such special pleading, he should listen to what Gillian Shepherd, Secretary of State for Education and Employment, is saying. Thanks to yet another government leak, we know that Mrs Shepherd regards the proposal as wrong because it will make it even harder for people from ethnic minorities to get a job.

Mrs Shepherd knows that if employers face criminal sanctions for not checking job applicants, they will simply devise the easiest method of rejecting potential illegal immigrants. That will be to turn away anyone with a black face.

This is an appalling prospect. Given his long experience in government, Mr Howard must already know the difficul-

ties and prejudices that people from ethnic minorities face in securing jobs. We should not be making it more difficult for them. The level of unemployment among ethnic minority groups in some of Britain's largest cities is one of the most significant social problems we face.

It is also a fact that most illegal immigrants who have jobs do not in any case work in the formal labour market. They tend to work in the cash-in-hand, informal economy where not too many questions are asked and nothing is put down on paper. Mr Howard's proposals would have little impact on this sector.

His plans could, however, increase the pressure on many legal black and Asian British citizens into taking these low-paid, unregulated jobs if employers in the formal economy take one look at them and turn them away.

So Mr Howard is advocating draconian and ill-considered action against what, in numerical or any other terms, is not a significant problem, compared to the levels of illegal immigration with which countries such as the United States and Germany cope. It is difficult to escape the conclusion that Mr Howard's real intent is to play the race card in the approach to next week's Conservative Party conference. There is no place for this kind of politics in Britain.

ANOTHER VIEW George Austin

## Church politics can hurt

The Independent yesterday ran the story of a "coup" mounted against me by two of my fellow archdeacons. For 25 years I have sat on the General Synod, but now the archdeacons of Cleveland and the East Riding have refused to endorse my reappointment. In a long career in the church one expects to suffer minor and major hurts, but nothing has hurt me as much as this.

Twenty-five years on the General Synod is enough for anyone. I had decided to resign in two years' time, quite happily, because after a time your contribution to debate is limited, because you have heard all the arguments many times before.

Last week my two colleagues dropped a bombshell by telling me that they would not be endorsing my appointment. It came as a complete surprise to me, particularly because in a light-hearted conversation I had referred to my re-election – I had really thought there could be no question about it.

When we met again I suggested a compromise, that I had decided to step down anyway after two years. The archdeacons refused. I then asked that they should delay until the end of the month, so that I could attend the committees on which I serve, to say goodbye to people with whom I have worked for 25 years. They went out of the room to discuss it, then returned and refused.

This refusal hurt almost more than the first decision. It is rather like redundancy, when you are told abruptly that

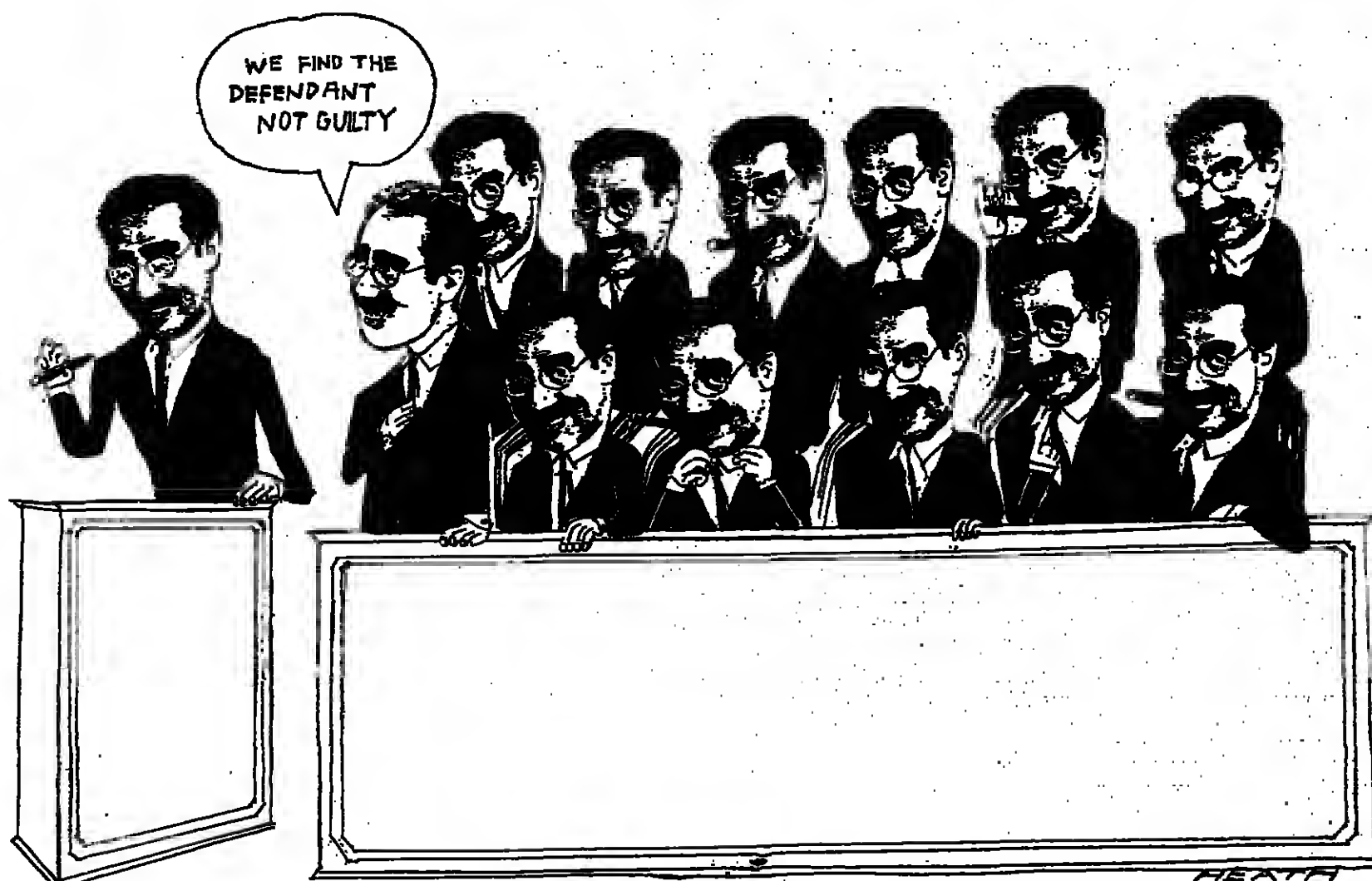
you are no longer needed and you return to your office to find your desk cleared.

The reason they gave for their action was that I did not represent the views of the diocese. Then the Archdeacon of the East Riding said that as a liberal he felt very isolated in the diocese – which is hardly consistent with their earlier reasoning. So I can only take this as a personal slight. The only issue on which they might have felt that I would not represent their views is my opposition to women priests – but that is a dead issue, and I have given pastoral care to all the women priests in our diocese.

This action will not silence me. In fact, it leaves me a lot of gaps in my diary to be filled. I think it shows all of us who are traditionalists that we are not as accepted as some people would like to suggest. Marginalisation is a certainty for many of us in the future. The ironic thing is that the traditionalist view is the view of the ordinary person in the congregation. And the liberals will find that they do not have the ordinary person on their side.

This business has confirmed in my mind that however dirty national politics are, they have something to learn from the church. But I remain an Anglican because that is what I am – God remains in the church, and we sometimes have to put up with these local difficulties.

The writer is Archdeacon of York.



A day at the racist

## LETTERS TO THE EDITOR

### Putting justice in jeopardy

From Mr Andrew Phillips

Sir: In your editorial "Nicole's killer is still free" (4 October) you argue that the televising of the Simpson trial may have been justified, if only because without it the "unreconstructed racism" of the Los Angeles police would "almost certainly" not have come to light. Even if one accepts that point (which I do not) it mistakes the purpose, and underestimates the inherent fallibility, of the trial process. That purpose is singular, namely to see justice done in the particular case.

That is difficult enough to achieve, and to burden any trial with secondary considerations of justice for a class (however much they may deserve it) or a cause (however meritorious) is to jeopardise justice in the case. That undermines justice generally, particularly where half the world is looking on. Yours faithfully, ANDREW PHILLIPS (Solicitors) London, EC1 4 October

From Dr Gary Slapper

Sir: In focusing on problems raised by the OJ Simpson trial, your leader "Nicole's killer is still free" (4 October) wrongly contrasts an "adversarial system of justice" based on "seeking out weak points in an argument" with a "quest for truth".

### Little danger from the lobbies

From Mr Peter Churchill

Sir: We would indeed need to be concerned that MPs are being encouraged to disguise their views to get on standing committees were they the powerful bodies that "amend proposed legislation" claimed in your front-page article "Secrets of the MPs who help lobbyists" (3 October). This is not the case, however.

A rather topical example is the bill to privatise the electric utilities that was debated in the 1980s. It received 110 hours of consideration by the respective standing committees, yet no amendments moved by the Government were rejected, and only one minor amendment moved by a backbench MP was agreed to, the MP in question being Conservative; none of the 227 amendments moved by the Opposition were accepted. (A. Adonis, *Parliament Today* 1990, MUP).

Yours faithfully, P. CHURCHILL

Spalding, Lincolnshire 3 October

### BA in the drink

From Ms Margaret Phillips

Sir: I was interested to read your short article "BA targets drinks" (29 September), because I wrote to BA, in January, complaining about two passengers seated next to me on a 24-hour flight from Sydney to London, who drank continuously. Every 15 minutes they each ordered two beers and two spirit chasers. They were noisy, disruptive and, in my view, unsafe. The cabin staff were quite happy to keep serving them.

Two hours before landing at Heathrow, the person next to me, who had passed out with her head

over the table, threw up over everything in sight. Here is an extract from the letter I received from Customer Relations: "While it may seem a firm action by our cabin staff could have alleviated the problem, there is always a greater danger of creating greater unpleasantness if requests for drinks are refused; intervention can sometimes inflame the situation. The number of passengers who persist in this type of behaviour is very small and our staff are normally able to contain the problem."

Yours faithfully, M. PHILLIPS London, NW6 4 October

From Mr Henry Morritt

Sir: Defenders of the lobbying industry maintain that the activity is simply the exercise of the right to free speech by persons conveying their views to decision-makers and legislators, and that lobbying is essential in democracy. While this is undoubtedly true, it hides the fact that not everyone has the resources or inclination to lobby on things that will affect them, if they even know that discussions are taking place on proposed legislation or policy.

Allowing lobbyists free access to our legislators and civil servants opens the possibility of manipulation, and to distorted legislation and policy. We should not, without regulation, allow the lobbying industry to bend and manipulate our laws and policies.

Formal rules on gaining access, declarations of interest, and clear open formalised statutory consultation are the solution. Otherwise, we the majority will increasingly be held hostage to private and special interests exercising their democratic rights. Yours faithfully, HENRY MORRITT London, W14 2 October

From Mr Knowles Mitchell

Sir: Comments attributed to me by your Transport Correspondent (4 October), in connection with fare increases came, in fact, from my senior press officer, Ross Mackie. The new charges were subject to full consultation with the statutory rail user committees. Passengers' interest is well represented by the user committees, who are able to publicly challenge unreasonable increases at a time when disclosure of changes would no longer risk giving a commercial advantage to another transport operator.

An important feature of our fare changes is that the price of our most heavily discounted ticket, Apex, has been held and its availability has been extended to more places. Increases in the cost of first-class travel was preceded by a range of service enhancements, including complimentary drinks, free newspapers and books. Yours faithfully, KNOWLES MITCHELL Public Affairs Manager, Great Western Swindon

### Myth of the New Statesman's 'golden age'

From Mr Godfrey Hodgson

Sir: As an associate editor of the *New Statesman* at the time when Bruce Page was editor, may I correct the myth which seems to be taking root about that magazine. This holds that there was a golden age under the editorships of Paul Johnson, Richard Crossman and Anthony Howard, and that this prelapsarian idyll was ruined by Bruce Page's "batty" ideas.

The truth is that the real golden age ended with the end of newspaper shortage. Circulation fell like a stone during the editorships of Messrs Johnson and Howard, and continued to fall after Bruce Page left. The paper was losing money (offset by the income from investments made in earlier, more prosperous times) when Page took over. By enormous personal efforts and with the help of a truly remarkable staff, which included Martin Amis, Julian Barnes, Duncan Campbell, David Caute, Anna Coote, Christopher Hird, Christopher Hitcheus and Francis

When, Bruce Page was the only editor who succeeded temporarily in arresting the circulation decline.

Right or wrong, Bruce's conception was that the commercial prospects were limited for a magazine offering 1,200-word essays, however talented their writers. Instead he tried, very hard and with considerable success, to create a professional magazine that might inject some factual reporting into discussions in Labour circles. The project failed, but that does not mean that it was "batty".

Yours sincerely, GODFREY HODGSON Editor 5 October

From Mr Bruce Page

Sir: James Fenton (*Statesman* "Stagers from crisis to crisis", 2 October) asks why political magazines of the right thrive more readily than those of the left. The answer is that comfortable ideas are easier to sell than uncomfortable ones, and the main idea of the right – which is that giving the poor more money doesn't aid them – is a real winner.

It would help, of course, if those who favour the left kept their own ideas in order. Mr Fenton writes that in 1978, when he and I competed for the editorship, "the paper owned its building in Lincoln's Inn Fields, had money in the bank, and made, as a company, an operating profit". The paper made an operating loss. This was subsidised out of investment income, which had been built up during the days when the paper itself did make a profit. It may have been too late, by 1978, to re-create that commercial success. But I still think it was worthwhile to try: it might have been worthwhile for the *New Statesman* board to have tried a little harder. Yours faithfully, BRUCE PAGE London, EC2 2 October

### Charitable charade of academia

From Mr Peter Michael Johns

Sir: I fear that Conrad Russell (Letters, 3 October) has himself fallen victim to the fallacy that university presses exist purely for the advancement of scientific knowledge.

Oxford University Press has for many years published student textbooks. It recently acquired the textbook list of Weidenfeld & Nicholson. Among the titles on that list is one of the leading introductory economics textbooks, of which it has published a new edition in 1996 using four-colour production in the text.

University presses have paid five-figure royalty advances: not big in the Martin Amis or Jeffrey Archer stakes but commercial publishing in anyone's terms. The real danger is that they will match the pattern in the US market where royalty advances as high as \$80,000 have been offered by some university presses. Acquisitions, introductory texts, large royalty advances: this is not the world of university press publishing described by Professor Russell.

I do not object to the principle of university presses acting in an aggressive, commercial manner. It does, however, seem absurd to provide them with the support of charitable status and, thereby, subsidy from the taxpayer. The university presses seem to relish operating in the market. I suggest the playing field should be levelled so that commercial publishers can challenge them on equal terms in the market.

Germaine Greer correctly identified a problem: the charade is even more grotesque than her description. Yours sincerely, PETER JOHNS Leighton Buzzard, Bedfordshire 3 October

From Mr Robert Allen

Sir: Germaine Greer's criticisms of the university presses make no sense. If she wants more people to read books, it cannot be right to tax them. Books are not ordinary commodities, any more than food or children's shoes are. In the Eighties, Oxford Uni-

versity Press published a monograph of mine on the Hellenistic kingdom of Pergamon. No one else could have published it; nor could OUP if Germaine Greer had her way. Yet I am told there are people who find it useful. I am sure this is equally true of the many other books only the university presses are able to consider, and long may it continue.

Yours sincerely, ROBERT ALLEN Edinburgh 3 October

From Ms Bronwen Cunningham  
Sir: As well as scrapping the Net Book Agreement, my publishers have also scrapped another time-honoured agreement: the Pay Authors What We Owe agreement. The latest royalties account from my publishers, £7.24 on 50 copies sold in Australia, is marked "too small to pay". Not too small to receive, I assure you. Is this common practice? Yours sincerely, BRONWEN CUNNINGHAM Petworth, West Sussex 1 October

### Fare's fair

From Mr Knowles Mitchell

Sir: Comments attributed to me by your Transport Correspondent (4 October), in connection with fare increases came, in fact, from my senior press officer, Ross Mackie. The new charges were subject to full consultation with the statutory rail user committees. Passengers' interest is well represented by the user committees, who are able to publicly challenge unreasonable increases at a time when disclosure of changes would no longer risk giving a commercial advantage to another transport operator.

An important feature of our fare changes is that the price of our most heavily discounted ticket, Apex, has been held and its availability has been extended to more places. Increases in the cost of first-class travel was preceded by a range of service enhancements, including complimentary drinks, free newspapers and books. Yours faithfully, KNOWLES MITCHELL Public Affairs Manager, Great Western Swindon

### Early AZT trials

From Dr Stephen Cameron

Sir: Steve Connor's Saturday Story (30 September), about the Delta trial of anti-HIV drugs taken in combination, made some remarks about the 1993 Concorde AZT trial that might mislead your readers into thinking there are no benefits to be had from AZT. The Concorde trial was designed to see if therapy with AZT, initiated early in the course of HIV-disease, when individuals are symptom-free, could extend the benefit of an increase in survival of 12 to 18 months, seen when AZT is taken later. The trial failed to find any advantage to early prescription, but this does not mean that AZT is not of benefit to AIDS patients. Yours faithfully, STEPHEN CAMERON London, NW5

Letters should be addressed to Letters to the Editor, and include a daytime telephone number. (Fax: 0171-293 2856; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

### Blair's dream

From Dr J. D. Fox

Sir: Tony Blair conjures up a dream of a computer in every classroom. Why do so many believe in salvation through information technology? Computers are very useful in many ways, but their impact in education has been mixed. Much software in use is dull, limited and inflexible. In the classrooms, the brainpower, flexibility and creative power of human teachers far outstrip the capacity of computers.

So by all means put more computers in the classroom, Mr Blair. But don't forget to provide training opportunities for teachers, more coursework for students, more time for thinking carefully about how to control IT. For, if we don't, maybe one day we will find it has enslaved us. Yours faithfully, JEREMY FOX School of Modern Languages and European Studies UEA Norwich University of East Anglia Norwich 4 October



# Has love been lost to labour?

Long hours in a demanding job can ruin relationships. The hunt is on for a better balance

Famous career couples have had a tough time over the past few months. The media's lurid interest in the lives of Hugh Grant and Liz Hurley, the Carlingtons, and now it has been the turn of Kenneth Branagh and Emma Thompson to split up.

It is tempting to put this down to the problems of glitzy and glamorous relationships, the inevitably heavy demands of fame, too much travel, prima donna egos and overwork. But the truth is that what is happening to famous career couples is little different from what is happening to many ordinary people.

Charles Handy puts it well in his book *The Age of Unreason* (Arrow, £6.99). It is rare, he says, for career couples to have happy and lasting relationships precisely because so much energy is put into achieving success at work. For a relationship to thrive it requires a lot of investment of time and energy. Often, public success for one partner depends on the other being altruistic and caring.

Not long ago, of course, this was the norm. But today most households have two earners. Few women are content any more to be the power behind the throne, the shoulder to cry on. Instead they want the bright lights and the sense of identity that comes from a good job. It is little wonder that surveys show that schoolgirls now talk of wanting careers first and family second

and that they are eager to take advantage of the opportunities not available to previous generations of women.

For many women the desire to achieve at work is almost overwhelming. Relationships have to fit around work, not the other way round. As one professional woman in her late twenties said, "Sometimes I feel I am surviving and driving so hard for a career, I forget there are other things in life which are important."

Many – especially professionals – are in geographically-strained relationships, struggling to maintain contact with long-distance phone calls and snatched weekends away. Although they are aware their relationships are suffering, many say that if push comes to shove, they would put work first. Perhaps because work has become the source of so much personal gratification and the place where so many people spend such a lot of their time, it is not only a contributory factor in relationship breakdown, it is also the place where many clandestine relationships are started.

Taking account of another person's ambitions as well as your own is bad enough. But the strains on relationships are amplified by other factors. After a long decline throughout this century, working hours began rising in the Eighties and have continued to climb in the Nineties. The lunch hour is a thing of the past and the British work the longest hours in Europe. The "time squeeze" that haunts people's lives is clearly putting relationships and family life under strain. No wonder that as many as 80 per cent of



HELEN WILKINSON

Few women are now content to be the power behind the throne

working mothers and 88 per cent of working fathers aged between 18 and 34 told a recent survey by Mori Socio-consult that they want to spend more time with their families and would welcome greater flexibility over their working hours.

Perhaps because of this time pressure, there is a new mood to the Nineties which is in stark contrast to the go-getting work-oriented Eighties. A book published this week, *After Success* by Professor Ray Pahl (£12.99, Polity Press) argues that many successful people are now re-evaluating their achievements and seeking fulfilment beyond work. Having reached their forties and fifties, they are all too aware of the heavy price they have had to pay for their careers.

It is not only the middle-aged who are questioning their values. A younger generation with high expectations of fulfilment at work want to

fulfil themselves outside of work as well. Because they are growing up amid endemic job insecurity, they are bound to question just how wise it is to invest all their emotional energy in work when jobs are becoming so much less reliable. Many, too, are aware of how many mistakes their parents made, especially in terms of relationships, and that achievement in one domain was matched by failure elsewhere.

Perhaps because of this the young are redefining the meaning of success to encompass the private as well as the public sphere, with many finding identities through personal relationships – networks of friends and family – as well as through work. It is not surprising that many of them flock to see films such as *Slackers*, *Reality Bites* and *Before Sunrise* which catch the mood of a generation searching for meaning in their lives in a world where the rules are being rewritten.

Across the world this questioning of work, success and personal fulfilment is visible. Even in Japan, commentators lament the changing work ethic of the "grasshopper" generation who are now refusing to put in hours at work that are not mandatory and who organise their lives around the three Vs: villas, visits and vistas.

It would be marvellous to think that in the Nineties we were seeing a shift towards a more balanced work ethic with renewed emphasis on relationships and family life. But don't hold your breath.

For all these signs of change, it is hard to be wholly optimistic. Perhaps

our greatest obstacle is that as a society we still define success by what we do, rather than who we are. Our culture lauds the public world of work much more than the private world of relationships and family life. We still have different standards of success for women than for men, and women pay a high price for trying to have it all.

I wonder whether there is another way. Many career couples are trying to work together – in restaurants and shops and consultancies and law firms – to contain the pressures. With the advent of the flexible labour market, the family firm may well be reborn, with more people linking the home to the workplace in ways that were once quite common before the advent of the industrial society.

That is perhaps why Thompson and Branagh's relationship has hit problems. Once the epitome of the working-together couple, recently their careers and relationship have become increasingly divorced from each other, no longer intimately connected. Perhaps inevitably, distance meant that they stopped working hard enough at the relationship.

Whatever the causes, the very public playing out of the private dramas affecting our golden career couple is a timely reminder of how difficult it is to achieve the right balance between success in one sphere and failure in another.

If the photographs of Thompson this week are anything to go by, one wonders if she feels that she and Branagh have paid too high a price for their success.

## NHS patients deserve the best

Robert Winston explains his plan, favoured by Tony Blair, for centres of medical excellence

Within a few miles of my own hospital, Hammersmith, an in-vitro fertilisation (IVF) unit has just opened in a National Health Service hospital. This hospital has no specialist infertility consultants and certainly could not provide truly comprehensive infertility care. Recently, the hospital concerned was interviewing candidates for the post of embryologist. One, rather boldly, asked how the unit intended to compete, "seeing as the Hammersmith Hospital, with its world-class facilities, is on your doorstep?" The reply was: "We intend to undercut their prices."

As it happens, I do not believe Hammersmith's prices could be undercut. It is actually one of the cheapest units in the country. But what will be the consequence of another clinic on our doorstep? First, there will be another IVF unit in London – which, frankly, is unnecessary. Second, within a year or two, this unit will become unprofitable and close down – but not before considerable NHS resources have been spent on commissioning it and maintaining its staff, and not before far more patients than necessary are likely to have failed a treatment that would have been better administered in the larger unit.

IVF is a relatively minor, rather uncommon treatment, but this experience of threatened waste and the destroyed hopes of ordinary patients is a model for what is happening in the NHS in many different areas. The internal market is increasingly failing to provide the best treatment and wasting ever bigger sums of money.

This country has a health service envied around the world. Apart from its ability to deliver high standards of medicine, it has consistently been at the forefront of developing medical techniques and treatments.

Given the pre-eminence of British medicine, then, why has our Government more or less completed the introduction of so radical a reform? The fact is that the system was breaking. It was economically wasteful at a time when the costs of delivering high-quality care were rising; it was often unaccountable to consumers and unprepared to audit its results; waiting lists were sometimes overlong and the general surroundings for patients often well below the standard acceptable in a civilised society.

The Government established the internal market to counteract these problems. Local

health "purchasers", with responsibility for the care of their local populace, were given a pot of money to "buy" the most appropriate medicine for their people from "providers". These, mostly the local general hospitals, were able to compete with each other to "sell" their clinical wares. This reform, whose impact and implications are still barely understood by at least 95 per cent of the patients I see in clinics (and by a surprising number of my own colleagues), was revolutionary.

The internal market has ensured to some extent that providing hospitals have improved efficiency, waiting lists are a bit shorter, hospitals tend to be brighter and more anxious to please. But there is a growing awareness that the internal market is damaging much of the real fabric and core of the NHS.

Centres of excellence, such as my own, used to be able to offer specialist medicine at the highest level to patients from Aberdeen, Belfast or Bury. Now you can live on one side of the street in London under one health authority and get treatment, or live on the other side – under a different authority – and not get treatment.

This fundamental inequality goes against the whole concept of the NHS. The ability of centres of excellence to undertake large numbers of specialist procedures generated clinical research that was the envy of all our American colleagues. It also led to excellent training for junior staff, who received the best clinical education in the world. This excellence influenced care in all centres distant from the regional or teaching hospital.

This is part of Tony Blair's vision for the future. He recognises that regional centres, threatened and weakened by the Government, should play a leading role in reshaping the NHS under new Labour. Such centres provide a cost-effective and excellent way of providing what is best in British medicine.

By connecting them to the Information Superhighway, using it to transmit any material that can be digitised from doctor to doctor (X-rays, monitored traces and ultrasound, for example) and by linking live operations, they would have a new role in improving treatment and education, as well as increasing standards for the next century.

Robert Winston is professor of fertility studies at Hammersmith Hospital.

The tabloids have impaired the ability of the judicial system to dispense justice, says Henry Porter

## When they publish, damn them

One aspect of yesterday's coverage of the decision to abandon the trial of Geoff Knights because of wide-ranging press breaches of the contempt law stood out: the rank arrogance of the responses by newspaper editors. When you read Richard Stott, editor of *Today*, saying that Judge Roger Sanders' remarks were "hypocritical", you know that the tabloid press has quite simply lost its ability to function within the law and that the moment for action has arrived.

"If he is saying," blustered Mr Stott, "that nobody can report a crime in case

Knight's girlfriend Gillian Taylor, who was to be one of the main prosecution witnesses. Other newspapers were just as careless of the law: the *Sun*, the *Daily Express* and the *Daily Mirror* were singled out for referring to allegations against Knights when they knew that a trial date had been set.

In total eight national newspapers were said to have openly flouted the law, which does not suggest a misunderstanding in the newspaper world so much as a tacit conspiracy to erode one of the most important principles in British justice. This issue is not about the freedom to report, it is about the freedom of the judicial system to operate justly and of defendants to be tried in as neutral a climate as possible. There is no public interest principle at stake here – other than the protection of the legal system – and no argument about freedom of speech; just plain and simple law-breaking.

Newspapers are on the whole rather more mindful of the safety of their positions than this behaviour seems to indicate, certainly newspaper lawyers are, and it seems unlikely that these papers would have broken the contempt law if their in-house lawyers had advised that they risked proceedings in doing so. But the lawyers have been reading the signals given out by the Attorney General, Sir Nicholas Lyell, who has shown a distinct reluctance to persecute the tabloids for contempt.

The lawyers must have advised that the risks were slight, and, given the intense competition between tabloids over stories concerning soap stars, the newspapers published, probably drawing a certain comfort from the idea that no Conservative Attorney General would dare to bring proceedings against so many national titles.

It is the scale of the defiance that prompts action against the newspapers now, but it is astonishing that the situation was allowed to get so out of control, for no law



officer could possibly fail to see the value of the principle of contempt.

And yet there were these encouraging signals. In 1993 a case against three police officers accused of perjury in the trial of the Birmingham Six collapsed because of press coverage, but no action against the newspapers followed. In July Michelle and Lisa Taylor attempted to bring contempt proceedings against the *Sun*, *Daily Mirror*, *Daily Mail* and *Daily Express* for the prejudicial and sensational reporting of their murder trial three years ago. Their convictions were quashed by the Court of Appeal and they decided to pursue the newspapers responsible for the coverage, but were prevented from doing so by the Solicitor General, who in operating on behalf of Sir Nicholas Lyell's office said that contempt proceedings were "not appropriate".

When the sisters challenged this decision in the High Court the judges backed the law officers, although one did concede that the behaviour of the newspapers had "crossed acceptable limits".

It now appears, however, that the judiciary has become frustrated by the Attorney General's lack of enthusiasm in this area. Anthony Scrivener QC, former chairman of the Bar, said that judges thought the Attorney General had not been doing enough and that his laxity was directly responsible for falling newspaper standards. Clearly Sir Nicholas Lyell could not ignore Judge Sanders' remarks about the press yesterday and ordered the Solicitor General, Sir Derek Spencer, to launch an inquiry. If proceedings follow – and we must hope that they do – then the Government must take its share of the blame for the ambiguity of Sir Nicholas's stance. There has been very little in the way of clear guidance in the past three years.

There is one other thing in all of this that should not be forgotten, and that is the increasing recklessness of

the tabloid press. This case is not just about the contempt of court; it is about the general contempt for all institutions that exists among the popular newspapers. The success of the newspapers in exposing so many members of the political and judicial establishment meant these past years has meant that an understandable reluctance to offend the press has grown up within the establishment.

One must not accuse Sir Nicholas of bringing the next election into his considerations, but there are people in government who allow it to enter their calculations, and

This case is not just about the contempt of court, but a general contempt for all institutions

this is quite simply wrong. There can be no doubt, when you hear editors like Mr Stott speaking, that newspapers today have a much greater sense of their own power than they did five years ago: they have taken on the highest in the land – royalty, judges, cabinet ministers, air vice marshalls – and they have usually won. And during this time there has, it seems, been very little to restrain them or to cause them to reconsider their behaviour.

This is an extremely unhealthy situation, and if you want to see where it leads, you have only to look to the United States, where television has acquired very much the same sort of pre-eminence as the tabloids have in Britain.

American television made the trial of OJ Simpson a farce, which is exactly what the tabloids did to the case of Geoff Knights. It is a development that should not go unchecked.

The tabloid press has quite simply lost its ability to function within the law and the time for action has arrived

somebody is later charged with it, it is nonsense. Of course Judge Sanders was not saying that. What he did say was that the coverage after Mr Knights had been charged was so damaging to the defendant that it would be impossible for him to receive a fair trial.

Perhaps Mr Stott does not understand the law of contempt, but this seems unlikely. There is very little room for ambivalence in the law: once somebody is charged a newspaper may not publish anything which is likely to affect the course of the trial, and that includes interviews with witnesses and remarks about defendants – or, for that matter, the judge. The point that Mr Stott disingenuously ignores is that the preponderance of prejudicial coverage came after Knights was charged.

Just a few weeks before the committal proceedings, Lynda Lee Potter, the *Daily Mail's* star columnist, published an interview with Mr

Generation Why

by Tony Reeve and Steve Way



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# obituaries/gazette

## Robert Hamilton

Robert Hamilton had several successive and partly overlapping careers, as an imperial civil servant, a scholar and a museum administrator.

Hamilton's father had served in India and Robert Hamilton was Inspector and the Director of Antiquities in the Palestine of the British mandate, where he resided almost continuously between 1929 and the end of the mandate in 1948. He created the British archaeological centre in Baghdad, often returned on various missions to Iraq or Palestine, and was offered the post of Director of Antiquities of Iraq in 1961, but turned it down.

My last exchange of letters with Hamilton brought back a memory of his official functions in the 1930s. I had received a letter from Germany that had been sent to an American friend, another Robert Hamilton, who had been, during his lifetime, a part-time archaeologist. The letter sought information about a German archaeologist who had excavated in Palestine before the Second World War and who was, I believe, killed on the Russian front.

I remembered that the British Robert Hamilton had once told me that, at the beginning of the war, in 1939, he had sequestered the belongings of that archaeologist and discovered a sizeable cache of arms and a lot of Nazi propaganda. I do not know what Hamilton wrote to a correspondent unknown to both of us, but I do know that he answered the letter a month or two before his death.

This trivial anecdote illustrates the inevitability of certain ways of knowing other people, especially from foreign lands, among those who held positions of trust and responsibility in a world-wide set of service to the Crown.

Hamilton studied the classics at Oxford, learnt Arabic, became an "excavating" archaeologist as well as an admirable student of single monuments to be rescued from time or men. He was also a remarkable draughtsman and water-colourist; I was convinced for years that he had been trained as an architect, because his reconstructions as well as the copies he made of finds are both striking in technique and imaginative in evoking long-lost buildings or any part of them.

His scholarly contributions fall into two main groups. There are the learned discussions or individual monuments he helped renovate or preserve. Such is *The Church of the Nativity in Bethlehem* (1947), a guidebook with a brilliant discussion of the mosaics of the

church that went against the commonly accepted wisdom of the time and that aroused some further disagreements, but which found partial confirmation in recent investigations. This part of his contribution was printed in smaller script, and he warned unsuspecting readers away from what he thought was overly technical for casual tourists. Another basically monographic instance is the remarkable *Structural History of the Umayyad Palaces* (1949), a relentless in the pursuit of details, unforgiving to anyone skipping even a line, but ultimately revealing the complexities of one of the most frequently rebuilt works of Islamic architecture.

Some of his conclusions were accepted, others were not, and he himself continued to debate the issues with himself and with whoever felt strong enough to challenge him.

Constant returns to his own work characterised even more Hamilton's long-standing involvement with Khirbat al-Ma'jar, the most spectacular of the Umayyad "palaces", located in the Jordan valley just north of Jericho, a complex rich in mosaics, paintings, sculptures, and truly unique architectural compositions. Hamilton and Dimitri Baramki were involved in an excavation of many years that eventually led to some friction between the two, which Hamilton regretted a great deal.

Eleven years after the end of the British mandate, in 1959, Hamilton's masterful presentation of the site was published in unusually lavish ways for a work entitled *Khirbat al-Ma'jar*. It should always be read together with several important articles dealing with various parts of the building and its decoration. What is important is not merely that Khirbat al-Ma'jar is the only true early Islamic palace to be published, but that Hamilton never ended his affair with it. In several articles, and then in *Walled and his Friends* (1988), he kept answering occasional critics, refuting explanations by others which seemed wrong to him (including my own), and returning to the palace and to the prince he saw as its creator. In his last scholarly book, Hamilton, now a quiet and polite octogenarian, managed to bring his hero to life in a translation in very direct English of al-Walid's often ribald and lascivious poetry.

It was my privilege, as a very young student, to participate with Hamilton in the investigation of Khirbat al-Ma'jar after the end of formal excavations and I remember vividly the warmth of his welcome in Oxford where my wife and I had stopped on our way to Jordan.

I especially remember the quality of the notes he (and others) had left in the archives of the Palestine Archaeological Museum, in Jerusalem (now the Rockefeller Museum). In albums and boxes there were (and I suppose still are) stored drawings, photographs, observations of all sorts on Ma'jar and on many other Palestinian remains by a man of intelligent devotion to his task who had become fascinated by the early Islamic period and the personages of the seventh and eighth centuries, under whose leadership or in whose lifetime the political structure of the Mediterranean changed irrevocably. He saw them as the weak but lovable libertines that many of them were, but he loved them for the wonderful places they had created.

Robert Hamilton was also a successful administrator, not only in Palestine, but later in Oxford, where he directed from 1962 to 1972 the Ashmolean Museum, where he was also Keeper of the Department of Antiquities, and handled successfully problems typical of venerable institutions. He was, too, a family man who could hardly be dissociated from his wife Hetty and his children. His functions required long absences from home, and the letters he published in 1992 (*Letters from the Middle East by an Occasional Archaeologist*) are a beautiful testimony to a creative and useful life, well spent.



Hamilton: a life well spent. Photograph: Richard Rackham

Robert William Hamilton, archaeologist, born 26 November 1905; Chief Inspector of Antiquities, Palestine 1931-38; Director of Antiquities 1938-48; Secretary-Librarian, British School of Archaeology, Iraq 1948-49; Senior Lecturer in Near Eastern Archaeology, Oxford 1949-56; Keeper of Department of Antiquities, Ashmolean Museum 1956-72; Keeper 1962-72; Fellow, Magdalen College, Oxford 1959-72; FBA 1960; married 1935 Hetty Lovick (three sons, two daughters); died 25 September 1995.

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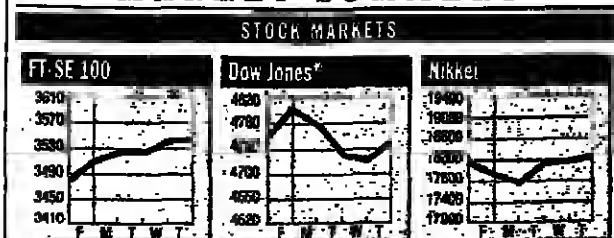


## unit trusts/data

[illegible]



## MARKET SUMMARY



Index	Close	Day's change	Change(%)	12 Wk High	12 Wk Low	Yield(%)
FTSE 100	3544.4	+0.3	+0.0	3570.8	2943.4	4.0
FTSE 250	3991.3	+7.5	+0.2	3991.3	3300.9	3.4
FTSE 350	1771.5	+0.6	+0.1	1778.3	1477.0	3.9
FT Small Cap	1875.5	+1.7	+0.1	1993.1	1678.8	3.3
FT All-Share	1750.8	+0.9	+0.1	1749.8	1490.8	3.6
New York	4749.0	+8.3	+0.2	4801.8	3674.8	2.4
Tokyo	18220.4	+75.3	+0.4	20148.8	14485.4	0.8
Hong Kong	9888.0	-51.9	-0.5	9940.0	8967.9	3.3
Frankfurt	2208.8	-8.9	-0.4	2317.0	1911.0	2.0
Paris	1800.3	-3.6	-0.2	2017.3	1721.8	3.8
Milan	9766.0	-13.0	-0.1	10911.0	9255.0	2.0

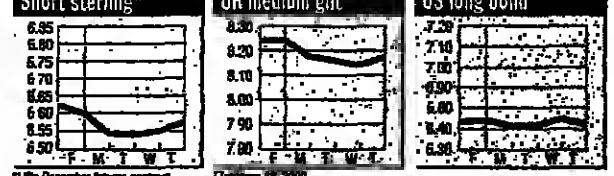
\* New Jones index at 1500 hours (from Jones graph at 1500 hours)

## MAIN PRICE CHANGES

Index	Price(%)	Change(%)	Yield(%)	Index	Price(%)	Change(%)	Yield(%)
Boddington Group	358	86	31.6	Transport Dev	194.5	11	5.4
McBride	200	11	5.8	British Steel	175.25	5.75	3.2
Vaux Group	300	15	5.3	European Unit	92	3	3.2
Travellers House	30	1.5	5.3	Enterprise Oil	347	10	2.8
Arrestad	268.5	12.5	4.8	BSP	388.5	11	2.8

FTSE 350 companies (including investment trusts)

## INTEREST RATES



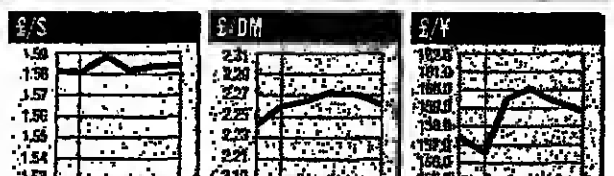
\* UK December interest rate

## MONEY MARKET RATES

Index	1 Month	1 Year	Medium Bond (%)	Year Ago	Long Bond	(%) Year Ago
UK	6.69	6.66	8.00	8.90	8.18	8.72
US	5.75	5.81	6.10	7.75	6.44	7.94
Japan	0.34	0.31	2.72	4.59	3.40	4.96
Germany	4.00	4.00	6.55	7.76	7.24	8.17

\* Bankmark indices

## CURRENCIES



Source: Datastream

## IN BRIEF

### Dollar sharply down

The dollar fell sharply in late London trading, falling below \$100. After an initial mid-afternoon decline of a penny to DM1.425 it then tumbled by a yen to \$99.60. According to Kit Juckes, currency strategist at NatWest Markets, concerns about weak US jobs growth were worrying the market. The consensus is for a growth of 150,000 non-farm jobs in September following the increase of 249,000 in August. US jobless claims rose by 6,000 to 341,000 last week, according to the Labour Department, less than the market had been expecting.

### More Germans unemployed

Unemployment rose by 14,000 in West Germany and vacancies fell for the fifth month running. The unexpected increase in the jobless count is a further indication of the weakness of the economy in the last few months and the pressure on employers from high labour costs to economise on staff.

### Scots lift Manweb stake

Scottish Power bought a further 1.1 million shares in Manweb, bringing its stake in the regional firm to 28 per cent. The hostile bid for Manweb by the Scottish group closes today and is the first contested bid for a major UK utility to reach this stage.

### Hambros wins £1bn Siemens deal

Hambros, the merchant bank, has been chosen by Siemens of Germany to arrange the financing for the £1bn-plus project to build a chip plant in the north-east of England. This will be the biggest ever single inward investment in Britain.

### Fall in UK housing starts

There were 14,000 new housing starts in August. In the three months to August, 45,400 dwellings were begun in Great Britain, down 3 per cent on the previous three months and 15 per cent lower than the same period in 1994.

### \$24m Mexican deal for Northumbria

Northumbrian Water has agreed to acquire 40 per cent of Gema, a Mexican environmental company, for \$24m. Two directors of the UK firm will be appointed to the board of Gema, which in 1993 had sales of \$850m. The move comes as Northumbrian awaits a possible bid from Lyonnaise des Eaux of France.

### SFO will not go to court today

The Serious Fraud Office has decided against going to court today in an effort to drop eight summonses brought against Nick Leeson by a group of Barings bondholders. Earlier in the week the SFO asked the court whether there was time available for a hearing and was told that it could have had a hearing today. The SFO wants to take over the private prosecution from the bondholders and halt it.

### Daiwa offices searched

Officers from the Finance Ministry and the Bank of Japan searched the Tokyo and Osaka offices of Daiwa Bank following the loss of \$1.1bn through fraudulent bond trading in New York. The investigation focused on the bank's administrative management systems and risk management systems, a ministry official said.

# Bankers Trust accused in \$195m 'rip-off' lawsuit

DAVID USBORNE  
New York

The Bankers Trust of New York found itself engulfed yesterday in a maelstrom of allegations of fraud and systematic corruption in its derivatives division with the long-awaited publication of court filings against the bank in a multi-million-dollar lawsuit by Procter & Gamble.

Details of how traders at the Bank apparently discussed a so-called "rip-off factor" - or ROF - in their dealings with nine different corporate customers, including P&G, are included in some 300,000 pages of documents and 6,500 tape recordings, submitted by P&G in its court filings.

Based in Cincinnati, P&G is claiming \$195.5 million in damages from the Bank, which, it al-

leges, deliberately misled the company on the risks involved in derivatives purchased from it. P&G took a \$102 million after-tax charge on losses sustained on its Bankers Trust derivatives.

The company escalated its assault against the bank last month, when it added racketeering and corruption charges to its suit. Original plans by the financial magazine *Business Week* to publish the documents and tapes, obtained by P&G from Bankers through the legal discovery process, were blocked by a Detroit judge who sealed them. The papers were unsealed this week, however, and extracts are to be carried in the magazine's cover story due on newstands today.

It is not the first time that Bankers Trust has been hit by allegations related to its deriv-

atives business. Its practices were highlighted in several media reports last year, including two *Fortune* magazine cover stories, and the bank was fined \$10 million by regulators for lying to another of its customers, Gibson Greetings.

In its filings, P&G asserts that "fraud was so pervasive and institutionalised that Bankers Trust employees used the acronym 'ROF' - rip-off factor - to describe one method for fleecing clients."

Many of the transcripts of conversations between bank employees seem to support the allegation. In one instance, an employee asks about how to set about winning a client's confidence. "Funny business, you know?" comes the reply. "Lure people into that calm and then just totally fuck 'em."

In one video-taped training session for new employees, a bank instructor is seen describing a hypothetical transaction between Sony, IBM and the bank.

"What Bankers Trust can do... is get in the middle and rip them off - take a little money," the instructor says. He then retracts the comment saying he has just realised that he is being filmed.

The Bank claims that comments such as these have been taken out of context. It also accuses P&G of bringing in the names of eight other companies that apparently sustained derivatives losses, including Sandor, to distract attention from the company's own failure to manage its account properly and to understand the risks involved.

Suggesting that P&G is indulging in "blackmail", the bank issued a statement saying, "What P&G has done is to use material we provided to manufacture a distorted view of transactions, markets, individuals and the corporation in a manner designed to serve its own objectives and to obscure P&G's own accountability."

Analysts warn, however, that the Bank is likely to suffer a further loss of reputation while the lawsuit goes on and suggest that it may be tempted to settle out of court. "Having their name dragged through the mud again is not a plus, and it could have a bad effect on other parts of their business," commented David Berry, of Keefe Bruyette & Woods, a New York brokerage firm.

Comment, Page 25

# Greenalls to bid £500m for Boddington

JOHN WILLCOCK  
and JOHN SHEPHERD

Greenalls Group is poised to buy rival pub business Boddington for around £500m as consolidation in the overcrowded pubs market gathers pace.

Earlier in the day Boddington admitted it had received an approach which might lead to a recommended offer. Industry sources said that Greenalls, the acquisitive group headed by Peter Greenall, will offer Boddington's shareholders one share worth 450p for every two they own, or a mixture of shares and cash. Yesterday morning

the market sensed a bid was in the air, with many speculating it would be the brewer Whitbread, whose shares coded 'p' down at 629p.

Boddington's shares soared 86p to 358p, well above the year's high of 295p. Some analysts said Greenalls would have to offer the equivalent of at least 400p a share to secure agreement from Boddington.

The Manchester company owns 450 pubs and sold the Boddingtons beer brand - "the cream of Manchester" - to Whitbread 7 years ago. The company has also developed a series of leisure villages, owns the drinks wholesalers chain Liquid Assets and runs several outlying homes.

Boddington was forced into making a formal announcement as its share price soared amid heavy dealing for what is a tightly-held stock. It said any bid would be substantially above the market price.

Dealers reported heavy interest in the stock from investors in Boddington's home area in the North West, where the highly acquisitive Greenalls Group is also based.

"There has been some pretty inspirational buying of Bod-



Peter Greenall: leads an acquisitive group

Photograph: Financial Times

dington's shares the past few days' one senior dealer said yesterday. "The thinking is that the buying may be more than just inspirational," he added. More than 3m Boddington shares were traded on Tuesday, compared with just 34,953 on Monday and a 200-day average volume of 300,901. Another 2.7 million were traded yesterday.

The Greenall family sold out of Greenalls several years ago, but Peter Greenall stays at the

helm. Like Boddington it has spearheaded the development of family pubs, with the "Jungle Bungalows" chain. It also owns Cellar 5 off-licences, drinks wholesalers and De Vere hotels.

The City still expects thousands of pubs to close, and further mergers are expected. Regent Inns recently bid for Newt & Cucumber pubs but was trumped by Morland, the Abingdon brewer. There was speculation yesterday about a number of possible deals: Vaux,

the brewer and Swallow Hotels owner based in Sunderland, may be targeted by Wolverhampton & Dudley Breweries. Analysts also expect that if Whitbread cannot buy Allied Domecq out of Carlsberg-Tetley then it might go for Greene King's brewing arm instead.

Carlsberg-Tetley is to close its Warrington brewery by October 1996 with the loss of 240 jobs; 150 will go at Burton oo Trent and another 110 will go in sales and administration.

# French may shelve Renault sell-off plan

STEPHEN JESSEL  
Paris

Plans by the French government to privatise the car giant Renault before the end of the year may have to be abandoned because of the weakness of the French stock market and the reluctance of foreign institutions to invest in France.

"I do not want the state selling off its heritage at a knock-down price," Finance Minister Jean Arthuis said in an interview earlier this week.

Yesterday Renault shares

were trading at around 144 francs (£18.37) compared with the 165 francs (£21.05) at which the first tranche of shares were offered in the initial stage of privatisation in November 1994 which cut the state's holding to a little over 50 per cent.

Prospects for the firm improved recently, and the share price rose, while Prime Minister Alain Juppe announced the continuation of a scheme to encourage owners of old vehicles to send them to breakers' yards and buy new cars.

For technical reasons only

one state-owned enterprise can be privatised before the end of the year and it is looking increasingly likely that the chief candidate for a sell-off could be the aluminium firm Pechiney rather than Renault.

The government desperately needs the revenue from privatisation sales to cut the budget deficit and was hoping to raise between 40 billion and 50 billion francs (£500m to £637m) from sales this year. So far only about 17 billion francs (£217m) have been realised.

The problem for the govern-

ment is the continuing weakness of the French stock market. Whereas the Dow Jones index has risen 65 per cent since July 1990 and the FT100 44 per cent, with smaller but respectable rises on most other European bourses, the CAC 40 index is actually lower than it was at that time.

Investors take the view that the most attractive state-owned companies such as the petrochemical giant ELF - have already been privatised.

Subsequent sell-offs have attracted diminishing numbers

of takers - down from three million for ELF to 800,000 for the latest privatisation, that of the steel firm Usinor.

Small investors in Eurotunnel have had their fingers badly burned and foreign investors sceptical about the ability of the new French government to maintain the link with the German mark are reluctant to buy into the French market.

Investors calculate, too, that the government's need to raise cash may force it to offer better terms for later privatisations of less attractive companies.

# Near power cuts on 'unusual day' cause fresh Grid worries

MARY FAGAN  
Industrial Correspondent

The Labour Party has called for an independent investigation into a crisis in the power supply industry which forced the National Grid Company to dig deep into reserves to prevent power cuts.

The NGC was forced to take emergency action at one point in July because not enough generating plants in the south-east of England were available to meet demand.

Brian Wilson, Labour's trade and industry spokesman, said: "This is a deeply alarming revelation which confirms our fears about what is going on in the electricity industry since it became based on commercial relationships."

He added: "I am calling for a full independent inquiry into this event to ensure that this never happens again. The risks involved are quite literally catastrophic."

The committee which oversees the electricity industry's trading pool is also believed to be investigating the circumstances surrounding the sudden shortfall on 19 July.

The National Grid confirmed that, on what it described as an "unusual day" in July, it had to dig into its reserves to keep the nation's lights burning. A spokesman said: "There is no legal obligation on the grid to keep the lights on but we do it because we do the job professionally. The reserves are used quite often although not to this extent. But the act is that at the end of the day the grid did the job."

He added: "We are charged with providing secure and economic supply but we cannot dictate - we cannot force the generators to generate."

One industry source rejected the suggestion that the generators were at fault. "It is the National Grid Company's job to assess demand in advance and

to call up plants in order to meet that demand. You would have thought that in mid-July this would not be too hard a job to do."

The near-crisis emerges at an embarrassing time for the Government, which has been locked in discussions with the electricity company over the planned flotation of the grid, at present owned by the 12 regional electricity companies in England and Wales.

The companies reached agreement in principle last week that the grid - worth about £3.5bn - should be demerged to shareholders in December and that a £50 rebate should be paid to customers shortly afterwards. The demerger plans have yet to be formally approved by shareholders and by the boards of the companies. It is also unclear exactly what level of tax the Government will levy on the companies as a result of the sale.

Comment, Page 25

# Rescue fund proposal for Knight Williams losers

NIC CICUTTI

Lawyers acting for hundreds of savers who lost money through failed financial adviser Knight Williams yesterday said the financial services industry should set up a rescue fund for clients.

Neil Mickelthwaite, head of commercial litigation at the City law firm Dibb Lupton Broomhead, said every legal avenue would be explored to win justice for the savers.

But he argued that time was - literally - running out for many of the mainly elderly savers involved in the Knight Williams Actio Group.

Mr Mickelthwaite raised the possibility of the City's senior watchdog, the Securities and Investments Authority, or other sectors of the financial industry, setting up an independent fund to help the savers.

The fund would be similar, he suggested, to that of the Investors Compensation Scheme, the industry's own lifebelt. The

ICS has said it is unable to prioritise the Knight Williams investors over the heads of equally desperate claimants.

Knight Williams & Co, which went into liquidation in July, claimed to be a retirement specialist. Its savers argue they were told their money would be safe, and that neither the risks of equity investments or the unusually high management charges on their funds were ever properly explained to them.

Kenneth Jordan, one of the action group's founder members, said: "I am in my 70s. Time is not on our side, members of our group are going down without getting any results from their claims for compensation."

Mr Mickelthwaite admitted that drawn-out legal action may not be the best option. His suggestion of a special levy for the investors came despite, as he acknowledged, the relative failure of similar efforts in the City, including the fund for Maxwell pensioners.

# Names to vote 'blind' for rescue package

JOHN EISENHAMMER  
Financial Editor

Lloyd's Names are to vote at the end of November on whether they support plans to rescue the insurance market, but without an indication of how much this could cost them.

David Rowland, Lloyd's chairman, confirmed yesterday that the society has abandoned its earlier commitment to provide individual Names at the end of the month with an indication of the sum they must pay to end their liabilities for old loss-making policies. He is not sure now that there will be an indication of how much this could cost them.

But Mr Rowland said the goal will be met of setting up, by next spring, Equitas, a giant re-insurance company taking over all the old policies, enabling a new Lloyd's to trade profitably into the future. "We have seen nothing that leads us to be concerned about not meeting our deadline next spring. It would be foolish, if not morally wrong, to say that if it were not true," said Peter Middleton, chief executive.

Lloyd's also said its finances are in better shape than the forecasts contained in the reconstruction and renewal plan at its launch in May.

In a letter to members yesterday, Mr Rowland said Lloyd's still aims to seek authorisation for Equitas from the Department of Trade and Industry before the end of the year. A key part of the reconstruction plan is that Names will be able to buy final resolution to all their liabilities with this contribution to Equitas. In return all litigation against Lloyd's will cease.

To ease the pain for Names, the overall settlement package includes £2.8bn of debt forgiveness and credits to reduce individual contributions. Lloyd's has been engaged in past months on complex computer calculations to establish the "finality premiums".

But instead of giving Names an indication during October of their Equitas premium, Lloyd's is now talking only of providing "a good flow of information".

Negotiations with several of the parties that will influence the size of the Names' contributions are unresolved. In particular, Lloyd's is still battling with so-called personal stop-loss underwriters, who insured Names against losses. "This is the last piece of the jigsaw," said Mr Middleton.

Because most of the stop-loss insurance has been written at Lloyd's and so involves Names covering other Names, it means that when these policies are fed into the overall calculation, some Names will have their Equitas premiums reduced while others will pay more.

Lloyd's is also trying to agree with auditors, managing agents and brokers how much they are prepared to contribute to the overall settlement.

Mr Rowland conceded yesterday that the stop-loss talks are unlikely to be completed by the time Names are asked to voice their support for the rescue proposals next month.



# Reshaping electricity requires more debate



## COMMENT

"It is a strange logic that argues that the number of players has to be substantially reduced to give competition a chance but in the Alice in Wonderland world of electricity companies, it may actually be true"

Those who believe that things might be about to settle down in the electricity business after the last six months of hectic activity had better think again. A whole new raft of takeovers and alliances is under consideration - including, if the usually reliable rumour mill is correct, a second regional electricity company takeover by Scottish Power and the merger of East Midlands and Yorkshire. This is a party that shows no sign of abating, until the neighbours complain and send Inspector Lang to turn the music off.

The only obvious constraint is just how much consolidation the Government is prepared to allow. As things stand, the industry is divided into 19 moving parts - 12 regional electricity companies, 2 gencos, 2 Scottish power companies, two state-owned nuclear companies and one in Northern Ireland. All the bids to go through so far have been by outsiders and therefore do not involve any reduction in the number of players. That is about to change.

Provided Manweb shareholders do not lose their sanity by opting to remain independent (the sad and lonely fate of Northern Electric should deter them), Scottish Power becomes today the first to achieve a consolidating takeover. Government clearance of the National Power and PowerGen bids will reduce the players by a further two but this is still a long way from the consolidation industry executives believe would produce optimum efficiency and competition.

It is a strange logic that argues that the

number of players has to be substantially reduced to give competition a chance but in the Alice-in-Wonderland world of electricity companies, it may be true. Nobody believes the regional electricity companies as they stand have the will or the guts to start paying any more than lip-service to competition in domestic supply post its official introduction in 1998. But a smaller number of more powerful players - ministers have aligned on six - might do the trick.

The more aggressive in the industry see it settling down into four or five majors with perhaps as many also-rans. The race to become one of the big four must involve a new wave of consolidation. While Ian Lang, President of the Board of Trade, appears to accept the inevitability and desirability of this, what is happening is a fundamental reshaping of the industry, which requires a more penetrating public debate than we have seen. The case for referring National Power and PowerGen grows stronger.

## Going back to basics after Bankers Trust

It is becoming hard to tell which is worst - the sales technique of Bankers Trust or the naive way in which Procter & Gamble, one of America's biggest and toughest companies, fell into the derivatives trap.

Papers released by a US court this week give a unique insight into the atmosphere in-

side a deal-driven bank whose staff did not seem to care a fig about whether its products were right for the client, as long as they made a profit selling them.

The language revealed by the documents - such as the ROF (or Rip-Off Factor) - should join "greed is good" and the rest of the brutal epithets of the 1980s in Wall Street's over-the-top lexicon of shame. BT will have a hard time repairing the damage done to its image by these disclosures and may find it wiser to settle out of court than see its affairs become the financial media equivalent of the OJ trial.

The papers do not show P&G in too good a light as a customer, either, judging by initial extracts. Erik Nelson, chief financial officer, told P&G's audit committee that he saw worst-case scenarios were tested to see what would happen if interest rates took off. "We were betting that the financial markets wouldn't move against us. This, too, ran contrary to our policy of knowing our risks up front... our judgement was clouded by the belief that rates wouldn't rise quickly and that we understood the pricing formula, when in fact we didn't."

Derivatives remain an essential tool for modern business. It must be tempting for regulators to say "a plague on both your houses" and let the players get on with it. With large corporate clients, at least, more detailed regulation is unlikely to be the answer. At one level, the simplest lesson is that managements must go back to basics,

ensuring that sales staff do not regard customers as turkeys for the plucking. How else do you persuade them to come back again as clients? These are disciplines that apply as much to toothpaste salesmen as to the purveyors of the products of Wall Street rocket scientists.

Customers such as P&G - big grown-up companies - have no excuse either for not having the management systems in control risks and the nous to avoid the temptation to take a punt on interest rates at the wrong moment. Above all, they must learn to understand the products.

## Fault lines facing G7 ministers

This has been a year in which the markets have presented challenge after challenge in the international financial community. The orthodox view, which will be heard again in Washington as the Group of Seven finance ministers assemble for tomorrow's meeting, is that although the markets overreact they are basically always right.

The logical answer to a market challenge is to improve policies to the point where traders can find nothing to which they can raise objections, and to improve surveillance so the authorities can be nearly as vigilant as the markets.

The finance ministers' agreement in April to get the yen back down to a more man-

ageable level took a step away from that purist view. The turning point was the co-ordinated currency intervention during the summer. But this weekend, fault lines will show between the Germans and the Japanese on one hand, and the Americans and French on the other. Conveniently for Kenneth Clarke, the British are sitting quietly in the middle while tensions among the others become more obvious.

Market speculation has focused on whether Robert Rubin, the imposing US Treasury Secretary, speaks for all members of the administration when he says a strong dollar is good for America. Investors suspect some officials still think a weaker dollar would be preferable. They also doubt the strength of Germany's commitment to further co-ordinated intervention in support of the dollar, knowing the Bundesbank's traditional reluctance to step in.

Despite these rifts, the mood in the corridors of Washington about the currency swings achieved so far is one of quiet satisfaction. Ministers' main attention will rest instead on progress on surveillance and on the IMF's ability to react to crisis, 10 months after the Mexican emergency. But the two areas of concern - currencies and the developing world - are linked by the same theme: can the finance ministers ever really tame the financial markets? As the Plaza agreement on currencies exactly 10 years ago proved, their successes are likely to be ephemeral.

## Battle for Fisons: Bidder increases stakes

# Warburg calls for dawn raid probe

RUSSELL HOTTEN

Rhone-Poulenc Rorer yesterday raised its hostile bid for Fisons and snapped up 16.6% of its shares in the stock market. But the move was immediately attacked by Fisons bankers, SBC Warburg, who demanded an inquiry into the dawn raid carried out by RPR's adviser Hoare Govett.

Warburg complained to the Stock Exchange and Takeover Panel, as RPR increased its bid for Fisons from 240p to 265p a share and raised its stake in the target to 16.6 per cent.

Fisons advisers were concerned about a number of share trades registered around 9.20am and 9.42am that may have made it appear as though RPR had snapped up more of Fisons, than it had.

It was unclear whether Hoare Govett was behind the contentious transactions, and in the heat of the moment it is possible that the trades were mistakenly registered.

But the battle between Fisons and RPR has become increasingly bitter, and both sides are looking at ways to undermine their opponent's position. Hoare Govett were unavailable for comment.

RPR's renewed bid values Fisons at £1.83bn. RPR said its renewed bid was final, but

added that it reserved the right to raise it again should a third party bidder emerge or the UK's Takeover Panel allow it. Stuart Wallis, Fisons' chief executive, said the final status of the second bid needed to be clarified.

"What I suspect is that it is final, but we would like that verified. Any other party would not want to reveal their hand until after Rorer's final bid," he said. Mr Wallis declined to say if Fisons had had talks with any other potential bidders, but added that it would be unwise "to rule anything out."

He maintained that approaches were often made only after the original offeror had made a final move. He went on to say that Fisons would be producing a full response to the RPR terms "in the next few days" which would challenge a number of the assertions in the new offer document.

He said if RPR wanted a recommendation from the Fisons board then it would have to raise its bid again - something the Takeover Panel clause in the offer document may allow.

"We don't feel the bid is something we would want to recommend," he said, declining to name a price for the firm.

Robert Cawthorn, chairman of RPR said the new offer reflected both the intrinsic value

of Fisons and the value of its contribution in terms of RPR's future growth.

"It is difficult to see how this bid could be seen as undervaluing the combined group. RPR is offering a very hefty premium," said Mr Cawthorn.

Analysts say the pricing of Rorer's second offer looks as if the firm believes it can win the bidding war in the marketplace and is unwilling to pay any more just to get a recommendation from Fisons' board.

Fisons said the near 15 per cent stake picked up in the market by RPR yesterday morning had resulted from arbitrageurs taking profit rather than through institutional selling. Fisons' share price currently stands 3p shy of the offer level at 262p. More than 250 million shares changed hands.

Mr Wallis will be handsomely rewarded by a takeover, thanks to his share options, which have risen in value as Fisons' finances have improved.

Together with compensation for the loss of his £315,000 a year salary, Mr Wallis could walk away from his year at Fisons with around £2m.

After a series of resignations following the revelations that profits had been inflated, Mr Wallis moved swiftly to repair Fisons' balance sheet and reputation.



Back in the black: a buoyant Alan Sugar yesterday

Photograph: Jane Baker

## Amstrad in buying mood

MATHEW HORSMAN

Back in the black and increasingly confident, Amstrad plans to hit the acquisition trail, with as much as £300m to spend on compatible companies.

"We are not interested in small acquisitions," Alan Sugar, company chairman, said yesterday. But the usually outspoken Mr Sugar refused to specify sectors where the company might expand.

Amstrad announced pre-tax profits in the year to June of £3.1m, compared to a loss of £3.1m in 1994 of nearly £20m. The results were ahead of expectations, helping fuel a 12.5p rise in the share price to 263.5p. The small profit reverses four years of red ink at one of the fastest-

growing companies in the 1980s. David Rogers, chief executive, said the figures proved that "recovery was well on the way". However, he added that "we won't be satisfied until we have positive growth at ACE", the company's main consumer electronics division, and makers of the trademark Amstrad computers, faxes and other electronic equipment.

Viglen, the computer company bought last year for an initial consideration of £30m, performed in line with expectations, he said, while Dancall, the mobile phone manufacturer, came in under forecasts due to delays in production.

Mr Sugar blamed the length of time it took to receive approval for the Dancall digital

mobile phone technology in several countries, and estimated the operations were about four months behind schedule.

Dancall spent £8m last year on building up its manufacturing operations, and hopes to sell about 800,000 handsets a year. Total capital expenditure was £14m.

The mobile phone market is believed to be Amstrad's best chance of regaining momentum in the consumer electronics sector. Other new products include Datafax, an all-in-one fax, modem and answerphone that Mr Sugar calls the "all-singing, all-dancing product".

Analysts said the full year results were encouraging and expected profits to rise sharply this year and next.

Investment Column, page 27

## Fleet market drop hits car sales figures

RUSSELL HOTTEN

Economic problems facing the UK motor industry were underlined yesterday with figures showing that new car sales fell last month because of a decline in the fleet market.

Despite some evidence of improved sales in the retail market, the industry doubts whether the rise can be sustained and called for help from next month's budget.

Ford suffered a big drop in market share, as total UK sales fell 3.4 per cent to 140,069 in September against the same period last year, according to the Society of Motor Manufacturers and Traders.

The figure took total sales for the year so far to 1,594,166 - just 0.37 per cent ahead of the January-September total in 1994. Ernie Thompson, SMMT chief executive, said: "There is evidence of some renewed interest in the private sector, but this is offset by a decline in the fleet market."

He added: "Despite suggestions that the August total had been distorted by pulling registrations forward, September looks better than might have been expected. However, the year-to-date total demonstrates that there is little growth in the market overall and this continues to worry both manufacturers and retailers."

Neil Marshall, director at the Retail Motor Federation, believes the small rise in retail sales in September was due to delayed purchases from the annual August registration change, and would not continue.

He said: "The market has stalled in September after a tough August. The Chancellor really must do something to put zip into the market. The fiscal noose around the consumer should be loosened."

Ford saw its market share slip to 18.72 per cent last month, compared to 21.69 per cent in August and an average of 21.52 per cent so far this year.

The company blamed the fall on distortions caused by the August registration change and ending of promotional offers during that month.

Ford had been accused of rushing through thousands of registrations at the end of August to keep up its market share, something which could not be sustained in September. However, the company denied this.

Rover, after a disappointing August, took 13.62 per cent of the market and managed to get both its Rover 100 and 200 models in the top ten sellers' list. Jaguar also had a good month - selling 728 cars compared with 416 in September 1994.

## Further cuts in fixed-rate home loans

NIC CICUTTI

Lenders desperate to grab a slice of a shrinking market for home loans are dropping rates on their long-term fixed rate mortgages by up to 2 per cent.

The fall in the cost of long-term mortgage rates in the past three months has been far greater than the headline-grabbing drop of about 0.4 per cent last month.

Both would-be and existing borrowers on variable rate mortgages were then offered cuts averaging £13 a month on an average £50,000 loan.

The decision to slash rates fixed over three and five years by about 0.75 per cent has meant savings of twice that amount for new borrowers entering the market. In some cases the savings have been even higher.

Olive Thompson, mortgage editor at Moneyfacts, the monthly investment and mortgage guide said: "What we are finding is that there is increased competition, particularly among some of the larger lenders who are now appearing in our best-buy charts."

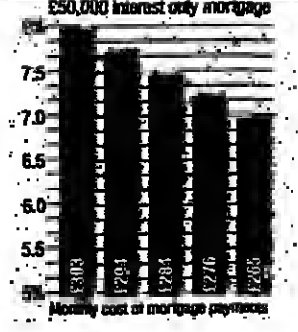
"All fixed rates have gone down compared to what they were a few months ago."

Moneyfacts tables show that Britannia Building Society recently reduced the cost of a five-year fixed interest loan from an admittedly high 9.34 per cent in a market-beating 7.24 per cent.

The 2.1 per cent drop means a cut of £100 in the monthly cost of a £50,000 mortgage.

Nationwide has cut its two-year fixed loan from an uncompetitive 7.19 per cent in June to 5.49 per cent. Woolwich's two-year fixed mortgage

The falling cost of home loans



now costs 4.99 per cent compared with a rate of 6.49 per cent in June.

Ian Darby, a director at John Charcol, the UK's largest mortgage broker, said yesterday: "Most building societies are not hedging short fixes on the money markets."

"They are linking them directly to the cuts in the standard variable rate. In practice, whatever the variable reduction, the fixed rate drops also."

Mr Darby singled out Portman, Bradford & Bingley and Skipton building societies as those with the deepest fixed rate cuts.

Over longer periods, lenders are benefiting from the money markets' backing of the Chancellor, Kenneth Clarke, in his battle against base rate rises with Eddie George, Governor of the Bank of England.

But competition is forcing them to cut prices even further. Nick Deutsch, chief executive at First Mortgage Securities, one of the UK's top centralised lenders, said: "There's no point in beating about the bush."

"If we offer a 4.75 per cent mortgage fixed for two years,

we are losing money in the process. But the customers want it and the hope is that we can keep them for a longer period after the fixed period ends so that we can start to make money then."

Mr Deutsch said competition was forcing lenders to cut the cost of loans and slash their margins despite the absence, so far, of a corresponding downward move in base rates.

In some cases, mortgage rate reductions are used to cement building societies' borrowers' loyalty. Yorkshire Building Society, has reduced its variable rate to 7.85 per cent for existing borrowers.

Mr Darby said that other reductions were being offered by societies which hoped to grab a greater share of the loan market in advance of their abandonment of mutual status.

## Racal unveils phone calls from the clouds

TOM STEVENSON

Life got tougher for slackers, philanderers and Luddites yesterday as Racal and Swissair conspired to put you on the end of a phone even at 30,000 feet.

Those who relish the luxury of being incommunicado will be relieved, however, that the inaugural London-Geneva flight of Swissair's short-haul satellite phone service had its glitches.

The airline made two errors. It invited journalists to test the system, Europe's first, almost guaranteeing problems. And to compound the problem, it offered free calls to anywhere in the world, successfully jamming the system.

A diligent attempt to touch base with the office from above Calais was still waiting in line as

the Airbus passed Auxerre.

It was probably an unfairly demanding test. Swissair reckons its long haul flights usually generate only about nine calls, casting doubts on whether the system will ever pay for itself in its current guise as a service to passengers.

Free calls proved irresistible, with one caller more than satisfied with the reception on his 15 minute chat with Australia.

At a flat \$8.60 a minute, however, the reluctance of callers is perhaps understandable, even if one long-haul passenger has managed to log a call lasting two hours and three minutes.

Fax transmission is technically feasible, but at \$40 a sheet, demand is reported to be slow. Interestingly, Swissair reckons it makes no difference whether

it charges \$8 a minute or \$13 - if you really need to make a call from the air, you're probably not paying for it anyway.

Actually, if you really do want a bit of peace and quiet in the air, you are safe for the time being. For security reasons, incoming messages have to be left in the cockpit. It's up to the passenger to swipe a credit card and return the call.

The ability to make calls around the globe from above the clouds will grab the imagination, but according to Racal, what the airlines are really excited about is the enormous scope for cost savings the system potentially offers over current, worryingly imprecise procedures.

Something airlines are loath to shout about is the fact that halfway across the Atlantic no one really knows where a plane is at all. That means aircraft have to keep close to pre-determined routes and a long, long way from each other.

Satellite communications, and the pinpoint tracking they provide even miles out of a country's airspace, should mean that aircraft can fly much closer together, can avoid costly stacking above congested airports and steer clear of turbulence.

One estimate puts the potential savings at \$250,000 per plane a year.

Apart from the fact that airlines will have to adopt the system because only wired up planes will get the best routes, the savings should mean that these systems become stan-

dard. The system's developers - it has been put together by a consortium of Racal, Honeywell, Sita, Claircom and Immarsat, the satellite operator - not surprisingly talk with starry-eyed enthusiasm about the potential for satellite communications in the air.

Teleconferencing between travelling executives and their offices will become routine, they believe. If you really can't wait, you can check your electronic mail in Washington while you jet from London to Lisbon.

Eventually it is hoped to provide real-time share prices in the air and news headlines in a babel of languages.

This is the future and it looks pretty stressful.

Investment Column, page 27

## NOTICE TO CUSTOMERS OF HALIFAX INTERNATIONAL (ISLE OF MAN) LIMITED.

Halifax International (Isle of Man) Limited, announces revised interest rates from 6th October 1995.

BALANCE	ANNUAL INTEREST GROSS P.A. %	MONTHLY INTEREST GROSS P.A. %
<b>HALIFAX INTERNATIONAL GOLD 90</b>		
£100,000+	6.50	6.31
£50,000+	6.25	6.08
£25,000+	6.00	5.84
£10,000+	5.80	5.65
<b>HALIFAX INTERNATIONAL GOLD</b>		
£100,000+	6.00	5.84
£50,000+	5.80	5.65
£25,000+	5.60	5.46
£10,000+	5.40	5.27
£5,000+	4.85	4.75
£500+	3.90	3.83

If you have less than £10,000 in your Halifax International Gold 90 account it will earn interest at the equivalent Halifax International Gold rate. If you have less than £500 in your Halifax International Gold 90 or Halifax International Gold account we will only pay interest at 1.00% gross p.a. Gross means we will not take any tax off the interest we pay. The accounts above are not available to residents of the Isle of Man.

Further details can be obtained by calling Halifax International (Isle of Man) Limited on 01624 612323 (from within the UK) or 44 1624 612323 (from outside the UK).



5TH OCTOBER 1995

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## business

Faster response required in the fight against future financial crises. Diane Coyle reports from Washington

## Emergency funds set to double

The International Monetary Fund expects its members to agree this weekend to a doubling of its emergency funds, one of the most important steps towards improving its ability to react to financial crises.

Finance ministers gathered in Washington on the eve of the IMF's annual meeting will approve proposals to provide a \$50bn-plus fighting fund to tackle emergencies like the Mexican financial crisis. The new arrangement should be in place by next spring.

Michel Camdessus, the IMF's managing director, said yesterday: "This is a very important and timely initiative."

The Group of Seven (G7) industrial countries agreed at



World Bank and IMF



their summit in Halifax in June to a significant extension to the IMF's General Arrangements to Borrow. These are a \$27-billion overdraft facility provided by the G7 and the four other countries - Belgium, the Netherlands, Sweden and Switzerland - which make up the G10. The decision was a reaction to the Mexican financial crisis, even though the Fund financed its \$17.8 billion loan to Mexico out of its own resources.

However, progress on extending the GAB has been

slowed by negotiations to involve other countries. Austria, Australia and Korea, for example, are being approached for contributions to a new, parallel arrangement to the existing GAB. Although the non-G7 members of the G10 fear dilution of their influence, their bigger partners believe it is essential to make other important economies take up their responsibilities to the international community.

Terms of the new parallel arrangement are still under dis-

cussion but Mr Camdessus said yesterday: "I hope they come to a decision as rapidly as possible. We need to have a mechanism permanently in place."

The IMF has failed, though, in another bid to increase its resources. Ministers are unlikely to agree to a general increase in the subscriptions paid by member countries.

As another part of its post-Mexico improvements, the Fund expects to have stricter standards for economic statistics provided by members in place by next April. 12 basic measures that all countries must provide monthly, and a more demanding standard for countries that borrow in the international financial markets.

Mr Camdessus said the Fund was working on making the information available electronically to the financial markets.

"One of the best ways for countries to protect themselves against erratic behaviour by the financial markets is to provide all the relevant data. Markets hate surprises," he said.

The Mexican crisis, which triggered the flurry of activity to improve the IMF's surveillance procedures and financial resources, is well on its way to resolution, Mr Camdessus said. The country had met the IMF's economic conditions and would qualify for another \$1.6bn disbursement in mid-November on top of the \$12bn it has already received from the Fund.



Kenneth Clarke: off to Washington today

## Frost hits back at fuel claim

RUSSELL HOTTEN

Frost Group, the quoted petrol retailer, yesterday issued a writ for damages against the Retail Motor Industry Federation in a row over claims that its fuel can damage car engines.

The federation had said that a new petrol, to be sold through many of Frost's 1,250 Save outlets, may be bad for engines, a claim supported by Rover Group and Shell.

James Frost, chairman of Frost Group, the fifth largest petrol retailer in the UK, said the RMI had failed to provide satisfactory evidence to back its claim. "The RMI issued a press release making these claims, which was followed up by the media throughout the country. It is not yet possible to assess the damage," Mr Frost said. The writ does not put a figure on the claim for damages.

Frost's new lead-free petrol includes an additive that makes it suitable for cars using leaded four-star fuel. Frost said the petrol gives the same performance as leaded four-star.

The RMI had reported Frost to the trading standards department, urging prosecution of the petrol was not suitable. The organisation, which issued its press release last month, yesterday declined to comment.

Since coming to the stock market in 1991 with 80 service stations, Frost has grown rapidly, and in July paid £33m for Burmah Castrol's petrol retail operation.

## Ministers to decide on crisis plan

A new report financed by the Treasury and Bank of England on how to deal with international financial crises, published today, is likely to win backing from finance ministers meeting in Washington this weekend.

Drawing on the lessons of the Mexican crisis at the beginning of this year, it suggests reforms of the process for restructuring a country's debts.

The report concludes that one of the key improvements would be to stop the "rush for the exit" - the flight of capital when a country first runs into trouble.

Every investor has an incentive to be one of the first to bail out before the country's financial markets collapse too far. But all would be better off if the stampede leading to the collapse could be prevented.

The authors, Barry Eichengreen and Richard Portes of the Centre for Economic Policy Research, propose allowing the International Monetary Fund to impose a payments standstill.

They also suggest countries offer new types of bond contracts, backed by the IMF, which would prevent a few investors refusing a debt restructuring de-

sired by the majority.

A second problem addressed by the report is that debt restructuring can be a painfully long process. It suggests a new agency to supervise negotiations with creditors and transmit information.

Thirdly, it suggests improved procedures for reacting to a crisis. The response of the international financial community to the Mexican problems early this year was confused and ad hoc, the authors argue.

It also relied on the happy chance that the IMF had plenty of funds in its coffers at the

time. Since the IMF and World Bank mid-year meetings six months ago plans to increase the Fund's emergency resources have been in progress.

This weekend's meetings are likely to bring an agreement to increase the "General Arrangements to Borrow" - the IMF's overdraft facility with its shareholder countries - and formalise the emergency financing mechanism.

Some G7 countries such as Germany will not be persuaded easily that there is a need to interfere with the financial markets.

## Manweb

## Shareholder information update

## Manweb's response to ScottishPower's final offer

To hear your Board's advice

call

0800 55 66 22  
(English language)

or

0800 55 66 33  
(Welsh language)

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## Lucy Roberts

## CITY DIARY

Ex-prime minister Margaret Thatcher, celebrates her 60th birthday at Claridges next Tuesday. With the Queen in attendance, the cream of British industry will be twiddling their bowties in anticipation.

PR supremo Sir Tim Bell insists he has no idea who is going, but tells me that "Lord Hanson of course will be there, as will I." Those not invited probably have urgent business abroad. Curious to note that Lowe Bell Financial, one of Sir Tim's PR companies, has scheduled its own annual drinks party for the following night. In the world of public relations timing is everything.

Richard Gamble of Royal Insurance is cock-a-bop at the news that Paul Spencer, associate director and treasurer at Hanson for nine years, has decided to come on board as finance director from January. At 45, Spencer brings with him a serious corporate pedigree having worked for Rolls Royce, British Leyland and ICI's



Tim Bell: among the birthday guests

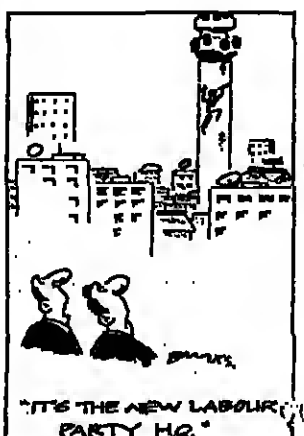
pension fund. Gamble, who was finance director at British Airways before his arrival at Royal, tells me that Spencer has been looking to make the move to finance director for some time.

Roger Burman, chairman of the Birmingham National Exhibition Centre will be nibbling his nails over the weekend. The final bids to host the year-long Millenni-

um exhibition will be submitted next week. Birmingham faces competition from Greenwich, Stratford and Derby. Burman remains undaunted: "At least we are here ready and waiting and able to cope," he says. "Look what happened to other purpose built sites, the British Pavilion at the 1992 EXPO in Seville is now packed up in a container somewhere in a Brent warehouse." For those who doubt Birmingham's ability to cope, a spokesman for the NEC points out that its own sewerage works has sufficient spare capacity to cope. Well that's all right then.

Advertising agency DMB&B is finally on the move. After forty years in its St James Square offices, known to staff as the Ministry of Advertising, the group which gave you the 1955 'stars love Mars' ad campaign, featuring a fresh faced Bob Monkhouse and Petula Clarke, will set up shop at 123 Buckingham Palace Road.

John Farrell, the group's UK chairman, just back from the industry's annual marketing junket on board the Canberra, tells me the move will accommodate all 620 employees from both media buying and sales. Much history will be left



behind in St James Square. When the recently departed father of Babycham, Francis Showering, decided he wanted to advertise his merry perry on TV he set off for the offices of JWT. When he got there he discovered they were all out to lunch, but the receptionist mentioned that there were some other 'advertising types' up on the sixth floor. Showering went up and met the Masius mob and 'I'd love a Babycham' was born.

## Merger of top law firms ends 21-year feud

## NIC CICUTTI

Three senior partners at one of Britain's largest personal injury and trade union law firms are quitting their jobs in a row over a re-merger of rival practices set up by two feuding brothers.

Colin Ettinger, Sara Lesley and Alison Eddy are leaving Robin Thompson & Partners to set up the London office of a major rival, Irwin Mitchell.

Yesterday, sources claimed their decision to resign followed their opposition to the merger with Brian Thompson & Partners, a firm set up by the brother of their own founder.

The planned fusion of the two Thompson firms will end a 21-year split between their brothers, Robin and Brian, and create Britain's largest employment law specialists.

At recent meetings of both firms' senior partners, the majorities in favour of merger were at least 10 to 1.

But the move is still opposed by some staff, who claimed the junior ranks were not consulted. "There are a number of people, who are out in favour," one insider alleged.

"Some feel that the merger is partly aimed at bailing out Brian Thompson & Partners, which has been less successful in recent years."

The claims were rejected by David Thompson, grandson of the firm's founder, who will head the combined partnership when the fusion is completed.

Mr Thompson said: "It is correct that three of our partners are not joining the new firm. I regret they are not going to be part of it. We will be sorry to lose them."

"Our view is that the market place is getting more competitive. This merger is a means of us becoming more effective."

He denied suggestions of a bail-out by one firm of the other: "Both are highly successful and will gain from the merger."

The two Thompson firms, with 13 offices and almost 750 staff, are widely regarded as the elite among trade union and employment specialists. Last year they won settlements of £119m for union members.

Among the organisations they act for are virtually all the TUC affiliated unions, including those representing engineering and transport workers, teachers, firefighters, printers, bakers and the public sector union, Unison.

The company's head office operates out of TUC headquarters in London and several of its senior staff were in Brighton this week attending the Labour Party conference.

The merger ends a split between Brian and Robin Thompson which dates back to 1974. Both brothers ran the partnership inherited when their father died in 1947. The origins of the feud are believed to relate to political and professional differences. Both brothers, now semi-retired, have given their blessing to the merger.

The three departing partners could not be contacted for comment.

## New Savings Rates from the Bristol &amp; West

EFFECTIVE 6TH OCTOBER 1995.

ACCOUNT	AMOUNT INVESTED	GROSS RATE OF INTEREST PA* (VARIABLE)	NET PA**
<b>PREMIER SAVER</b>			
An instant access account for investors who get higher rates the fewer withdrawals they make (No withdrawals)			
	£100,000+	5.55%	4.16%
	£50,000+	5.40%	4.05%
	£25,000+	5.25%	3.94%
	£10,000+	4.95%	3.71%
	£5,000+	4.50%	3.38%
	£2,000+	4.15%	3.11%
	£1,000+	4.00%	3.00%
	£500+	3.00%	2.25%
<b>(1-6 Withdrawals)</b>			
	£100,000+	4.55%	3.41%
	£50,000+	4.40%	3.30%
	£25,000+	4.25%	3.19%
	£10,000+	3.95%	2.96%
	£5,000+	3.50%	2.63%
	£2,000+	3.15%	2.36%
	£1,000+	3.00%	2.25%
	£500+	2.00%	1.50%
<b>(More than 6 Withdrawals)</b>			
	£100,000+	3.55%	2.66%
	£50,000+	3.55%	2.66%
	£25,000+	3.35%	2.51%
	£10,000+	2.85%	2.14%
	£5,000+	2.55%	1.91%
	£2,000+	2.30%	1.73%
	£1,000+	0.50%	0.38%
	£500+	0.50%	0.38%

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## MIDLAND NOTICE TO CUSTOMERS NEW INTEREST RATES FOR SAVINGS ACCOUNTS

With effect from 6th October 1995	Net %	Gross %	Gross (CAR) %
<b>Exchequer 90 Day Notice (Annual Interest)</b>			
Up to £5,000	0.75	1.00	1.00
£5,000 +	3.37	4.50	4.50
£10,000 +	3.93	5.25	5.25
£25,000 +	4.31	5.75	5.75
£50,000 +	4.50	6.00	6.00
£100,000 +	4.68	6.25	6.25
<b>Other Exchequer terms available:</b>			
90 Day Notice (Monthly Interest), 30 Day Notice (Annual Interest), 30 Day Notice (Monthly Interest)			
<b>Mortgage Savings</b>			
Up to £2,000	1.30	1.74	1.75
£2,000 +	2.94	3.93	4.00
£10,000 +	3.30	4.41	4.50
£25,000 +	3.56	4.75	4.85
£50,000 +	3.84	5.13	5.25
£100,000 +	4.02	5.37	5.50
<b>Saver Plus</b>			
Up to £500	1.88	2.24	2.25
£500 +	2.60	3.47	3.50
£5,000 +	2.97	3.97	4.00
£10,000 +	3.15	4.21	4.25
£25,000 +	3.52	4.70	4.75
<b>High Interest Cheque Account</b>			
£2,000 +	1.58	2.09	2.10
£10,000 +	2.31	3.08	3.10
£25,000 +	2.86	3.82	3.85
£50,000 +	3.15	4.21	4.25
<b>TESSA</b>			
		6.75	6.75

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## business

## Telephone Share Dealing

## Edwards firm still in BFL bidding

DAVID HELLIER

Sources close to Coal Investments, the coal mining company run by the former British Coal executive, Malcolm Edwards, yesterday rejected rumours that money-raising difficulties had led to it pulling out of the bidding for the coal subsidiary of the British Fuels Group (BFL), one of British Coal's last surviving businesses.

"We're still very much there," a source close to the company said. There have been industry worries about Coal Investments' bid ever since the company, which is spending heavily on investment for its coal mining operations, put out a profit warning last month.

There is also concern that Coal Investments' management has enough on its agenda without the further worries caused by a bid for BFL Coal.

However, a source said that a bid would not have been made if it were felt the company could not find management of the right calibre, and the same source said any funding for a successful bid would not come from the equity market.

"The Coal Investments bid involves a very innovative form of funding, which is unusual for a public company," said one source with knowledge of the discussions.

It is believed that three bids, including one from Coal Investments and another from the management team, went in to the Government's advisers on the deal, Samuel Montagu, earlier this week. The bids are said to have been up to £50m for BFL's coal business, while there are separate bidders for BFL Oil. The solid fuel business in Northern Ireland, meanwhile, has attracted much attention.

The sale of BFL, one of the country's biggest distributors of solid fuels and petroleum products, began in April. The management buyout team is believed to have backing from Apex, the specialist venture capital finance house, and the third bidder is believed to be Ferrowood, a Hull-based, private coal import company. RJB Mining, which bought most of England's minefields from British Coal at the beginning of the year, is not believed to be one of the bidders.

## Satellite gives Racal a boost

The launch yesterday of the latest satellite communications product from Racal's joint venture with Honeywell confirms that, in some areas at least, the company is still at the forefront of technological developments. Apart from the obvious advantages of providing business travellers with the means to keep in touch, the ability to track aircraft precisely will be hugely attractive to airlines.

It is good news for a company which, after years of effortless progress, when its share price soared, has had to come to terms with corporate middle-aged spread, looking enviously at younger, fitter businesses developing products and bringing them to market rapidly. Racal has struggled to keep up.

Most recent figures confirmed that the company's large and vital data products division, which churns out modems, credit-card terminals and computer peripherals, remained mired in management and technical problems. Even including the Camelot share, which on some measures was overstated anyway, the division's return on sales was still a measly 4 per cent.

The company is actively considering a sale of the operation, or a joint venture to share the pain, and, in the face of increased competition from small niche producers in the US able to deliver cheaply tailored products to the market, it is difficult to see how tinkering around the edges with admittedly pretty sweeping management changes can really help.

Racal will thank its lucky stars it took a flutter on the Lottery. On current forecasts Racal's share of Camelot's profits could amount to £16m in the year to next March, making it the single largest contributor to group results. That is good and bad news.

Given recent hints from the evangelical socialist wing of new Labour, the risk of regulatory or political interference in the Lottery has increased markedly and investors must question the extent to which those earnings can be seen as a high-quality profit stream.

Over the years, Racal has been a fantastic investment. Since 1985 the shares have risen more than 10-fold as its chairman, Sir Ernest Harrison, has chaired businesses like Vodafone and Chubb and cashed in when they were mature enough to leave the nest. Analysts have argued that actions to realise the underlying value of its businesses could enable the share price to approach 330p.

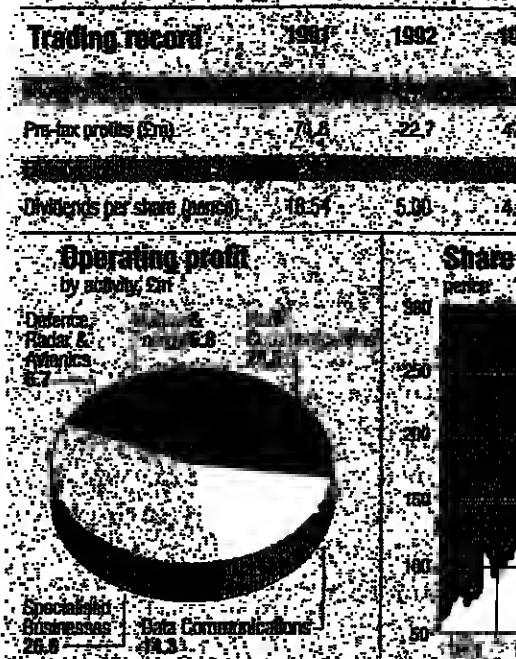
That looks optimistic given the current share price of 270p, which on forecast profits before tax this year of £74m implies a pretty demanding price/earnings ratio of 16. With no support from a forward yield of 2.8 per cent, that takes a lot on trust.

## THE INVESTMENT COLUMN

Edited by TOM STEVENSON

## Racal: at a glance

Market value: £756m, share price: 270p



## Amstrad rewards patience, at last

Patient investors may finally see their virtue rewarded, as Amstrad at last emerges from the sea of red ink in which it has been wallowing since 1991. The recovery had been expected since early this year, taking shares to the 250p level. Confirmation yesterday that the corner had indeed been turned pushed the price over 260p.

Amstrad has suffered in the past from the at-times overbearing behaviour of its founder and guiding spirit, Alan Sugar. But Mr Sugar's marketing skills are still appreciated in the City,

even more so now that he has recruited the excellent David Rogers, the company's much admired chief executive.

The pair managed to wrestle with Amstrad's two major problems in the course of the past year: over-reliance on the underperforming ACE - makers of the old-line Amstrad computers and other equipment - and the late start at Dancall, the mobile phone company in which Amstrad is pinning so much of its hopes.

An aggressive move into cellular phone manufacturing is surely a good move. Companies such as Nokia and Ericsson have kept investors happy with climbing earnings and strong profits, riding a worldwide boom for mobile

phones. Like satellite dishes in the 1980s, the mobile phone looks like a real winner. ACE is still performing poorly, but management has managed to cut inventories and expand sales through catalogue direct sales.

A four-month delay at Dancall has hurt the shares a bit this year, but assurances that output should rise in about 800,000 handsets a year were encouraging. Viglen, bought last year for an initial £30m, performed in line with expectations, suggesting Mr Sugar still knows how to pick his way through the acquisitions maze. He promises more of the same, spending perhaps £300m in cash and shares.

Pre-tax profits are forecast to rise to £25.5m in year ending June 1996, and perhaps £45m the year after, for a current year multiple of six times. Cheap anyway, but particularly in light of the company's cash-rich status. Amstrad has squandered away £141.9m at the bank. With forecasts like those and the improvement from mobile phones, the shares remain attractive.

## Strategy pays off at Storehouse

Keith Edelman of Storehouse is still pursuing better margins in preference to sales at both British Home Stores and Mothercare, and the strategy seems to be paying off in spite of four months of poor weather for clothing sales in the last six.

Allowing for the disposal of One Up, group sales in the six months to October 14 should be between 1 and 2 per cent ahead of last year, the company told a group of institutions and analysts yesterday. Like for like sales will be down at British Home Stores but Mothercare continues strong trading.

Customer discounts on Choice, the group card will be relaxed, allowing points earned up to Christmas to be carried over. Six new BHS stores will be open by then and existing stores are being revamped and extended.

The sales mix at Mothercare has moved significantly in favour of clothing, where margins are much higher than in hardware. But better stock control is the real key to continuing improvement.

Analyst Andrew Hughes at PDSB is expecting interim profits to reach £28.5 million, against £24.2 million at the same stage last year but is leaving his full-year forecast at £110 million, up 20 per cent.

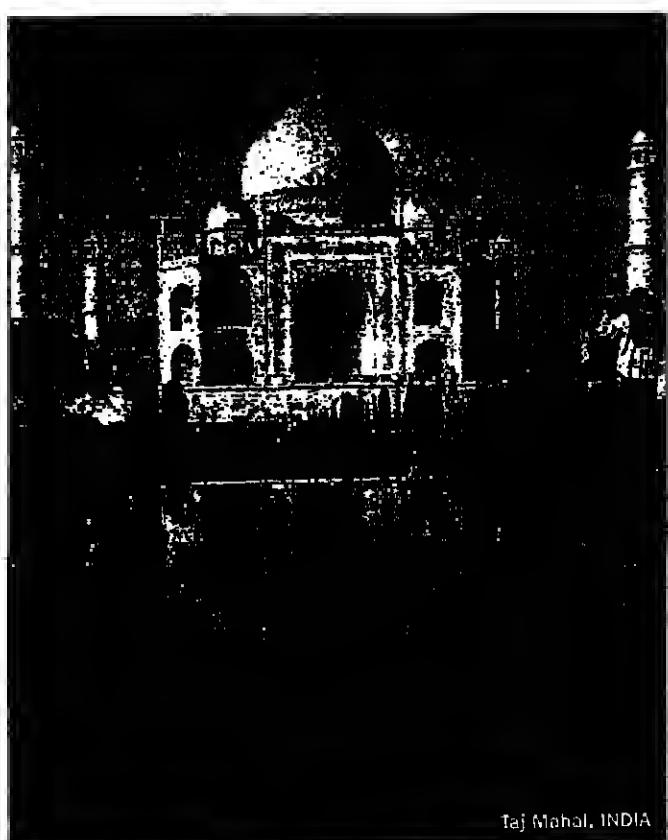
The shares edged up a penny at 301p but they have come a long way from the low a year ago. The City currently prefers them to M&S, and even at 20 times earnings there should be more to come.

## COMPANY RESULTS

	Turnover £	P/Box £	EPS	Dividend
Amstrad (Q)	272m (230m)	3.1m (-19.9m)	2.2p (-10p)	2.5p (2.5p)
Barry Wehmiller (Q)	90.4m (82.1m)	7.1m (5.1m)	10.4p (7.5p)	7.3p (5.7p)
Bridgford (Q)	8.12m (5.17m)	-0.09m (0.07m)	-0.3p (0.1p)	0.1p (0.1p)
Brunel (Q)	160m (151m)	17.0m (-71.5m)	13.7p (-48.4p)	0.5p (nil)
Ferranti (Q)	16.9m (19.5m)	-2.93m (4.19m)	-11p (-33.0p)	nil (nil)
Balliford (Q)	210m (220m)	1.2m (-5.9m)	1.11p (-5.04p)	1p (1p)
Hopkiss (Q)	56.4m (53.8m)	-0.58m (-0.75m)	-1.23p (-0.45p)	0.5p (0.5p)
T.J. Hughes (Q)	22.1m (21.1m)	0.05m (0.33m)	0.21p (1.11p)	0.8p (0.8p)
Johnston (Q)	65.9m (67.7m)	3.79m (2.41m)	22.6p (12.9p)	4.0p (3.5p)
McBride (Q)	437m (410m)	27m (22m)	14.7p (-)	nil (-)
Meghill (Q)	166m (162m)	8.1m (8.8m)	2.2p (2.5p)	1.3p (1.3p)
Murphy (Q)	1.19m (1.25m)	0.003m (0.016m)	0.03p (0.22p)	nil (nil)

(Q) - Quarterly (F) - Final (I) - Interim \* EPS on pro forma basis

## FIVE CLASSIC HOLIDAYS FOR TWO TO BE WON WITH THE INDEPENDENT



Taj Mahal, INDIA

TODAY is the last day of our Classic Holidays competition. We are giving you a final token plus an entry form in order to enter our prize draw. All the five holiday prizes we have on offer are for two people, are organised by Cox & Kings and will genuinely provide a holiday of a lifetime.

There are two tours of India on offer, both of which take in the majesty of the Taj Mahal and the glorious pink city of Jaipur. We have a long weekend break in Jordan where a two-day visit to the rose-red city of Petra is the highlight.

You could find yourself gazing at elephants and crocodiles in one of the wild-life preserves of Sri Lanka, the beautiful tear-drop island off the Indian coast. Or maybe you will take a tour through the ancient lands of Syria, rugged yet starkly beautiful.

pendent on Sunday. Today we are printing Token 7. Send your five tokens, one of which must come from the Independent on Sunday, along with the completed form below to the address shown. Rules as previously published.

For further information on Cox & Kings call: 0171 873 5000.

Cox &amp; Kings

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Please complete the entry form in block capitals. Enclose your five differently numbered tokens (including one from the Independent on Sunday) and send to: Independent/Classic Holidays Prize Draw, PO Box 250, Welwyn Garden City, Herts AL7 3TU. The closing date is 23 October 1995.

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Address \_\_\_\_\_

Postcode \_\_\_\_\_

Daytime Tel No: \_\_\_\_\_

Date of Birth \_\_\_\_\_

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## Crisis deepens at Eurotunnel

RUSSELL HOTTEN

The City today gets further details of Eurotunnel's mounting financial crisis with the publication of half-year results forecast to be worse than expected.

After Eurotunnel's suspension of interest payments last month, some analysts now believe losses for the first half will be around £50m more than first thought, at over £400m.

Analysts are also hoping Eurotunnel will give an indication of the expected full-year losses, as the company's last forecast in May 1994 of about £580m is completely out of date.

As well as looking for news of the company's legal action with the TML consortium and negotiations with the rail operators, any indication of traffic forecasts will be welcomed. Eurotunnel engaged in a fierce price war with the ferry companies this summer, and news about the operational outlook is crucial to a revised agreement with Eurotunnel's banks.

On 14 September Eurotunnel suspended interest payments on junior debt for up to 18 months. The firm said its bankers agreed to review their accounts during that time, but analysts said Eurotunnel's next

step could be to declare that 18 months is not long enough.

Many analysts believe the company is headed towards a debt-equity swap with its creditors, perhaps in the form of a convertible bond issue reserved for the banks.

Eurotunnel is also seeking to renegotiate the contracts with rail operators British Rail and SNCF, which use the tunnel for their Eurostar service. Yesterday Reuters news agency said the agreement with BR and SNCF gives Eurotunnel a fixed rate of around £700 per rail passenger using the tunnel.

A fixed rate means Eurotunnel does not benefit from any rail ticket price increases. Also, the railways' policy of targeting premium passengers - such as business travellers - goes against Eurotunnel, which would rather shift larger numbers of people. It was thought that Eurotunnel was holding out for an increase of 60 per cent in the fixed rate it receives per passenger.

Eurotunnel also recently launched a fresh claim against the TML consortium of Anglo-French building contractors, but its chances of squeezing more money out of TML are slim.

## Shannon linked to County Casuals bid

DAVID HELLIER

John Shannon, the former chairman and chief executive of County Casuals, yesterday emerged as a possible bidder for the company he left just one day after a profits warning.

The board of County Casuals said yesterday it had received an approach from Ciro Holdings, a company controlled by Mr Shannon in connection with a possible bid for the company.

Shares in the company, a manufacturer and retailer of ladies' fashion wear, moved 19p higher to 134p on the announcement.

Mr Shannon left County Casuals in September last year immediately after the profits warning and after a row about the length of his service contract. Mr Shannon, who still

owns nearly 20 per cent of the shares in the company, wanted his contract, which reverted to being a one-year one, extended to two or three years but the board refused to sanction such an increase.

County Casuals said yesterday the timing of Mr Shannon's approach was "opportunistic" and the level of the possible offer did not reflect the potential of the Group.

Ciro Holdings is believed to be a company taken over by Mr Shannon earlier this year. In his move on County Casuals Mr Shannon is being advised by the accountants, Robson Rhodes.

Last month the company said it had reduced its half-year losses from £1.49m to £1.05m, partly thanks to the disposal of its loss-making Koto fashion chain.

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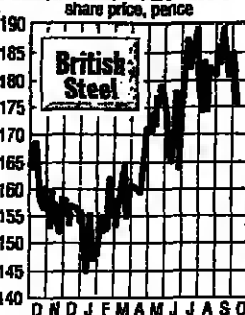


# market report/shares

## DATA BANK

FT-SE 100  
3,544.4 +0.3  
FT-SE 250  
3,991.3 +7.5  
FT-SE 350  
1,771.5 +0.8  
SEAQ VOLUME  
1,002m shares,  
28,867 bargains  
Gilt Index  
93.34 -0.1

## SHARE SPOTLIGHT



## Second-liners advance amid takeover speculation

### MARKET REPORT

JOHN SHEPHERD



Leading shares were in the shadow of second-line stocks yesterday. The FT-SE 250 index closed advanced 7.5 points to an all-time high of 3,991.3 amid rumours that several takeover bids were about to be unleashed, particularly in the pub retailing and oil sectors.

An advance of 0.3 of a point to 3,544.4 was recorded by the FT-SE 100 index. Only two of the top 100 shares managed double-digit gains: Legal & General, the life assurance group, which rose 15.5p to 616.5p, and General Accident, the composite insurer, which gained. Again, the driving force was speculation. A merger between the two is seen as more of a possibility rather than a straight takeover bid by one for the other. Speculation about a foreign buyer for L&G has also surfaced in recent months.

Total volume trading topped 1 billion shares, one of the best

levels seen for many weeks. Some 21 per cent of the total figure, however, related to Rhone-Poulenc's raid on shares in Fisons after it increased its takeover terms from 240p to 265p.

The first of the expected fresh wave of bids to roll off the production lines, however, may be for Boddington, the Manchester-based pub and leisure company. Greenalls, the rival North West pub operator, is the hot favourite to make an all-share offer valuing Boddington at around £500m.

Boddington yesterday had to announce it was in bid talks as its shares soared during reasonably heavy trading for what is a tightly-held stock. The price closed 86p higher at 358p, comfortably above the year's high of 295p.

There was also a separate rumour that Vaux, the Sunderland-based regional brewer, pubs and hotel operator may

also find itself on the receiving end of a bid. Wolverhampton & Dudley, based in the Midlands but also the owner of the North-East Camerons brewery, is the favoured suitor. Wolverhampton's shares advanced 8p to 547p and Vaux gained 15p to 300p, which values the company at more than £420m. These potential deals are all seen as being part and parcel of the inevitable consolidation of the pub and brewing industries. Additional evidence of the process was yesterday provided by Allied Domecq, down 6p 52p, which announced the closure of its brewery of Warrington, part of its joint venture with Carlsberg

### Century Inns.

Fresh news on how the independent pub operators are performing will be provided today by results from JD Wetherspoon, up 5p to 633p. Regent Inns, which floated not long after Wetherspoon a couple of years ago, yesterday climbed to another high with a 12p rise to 600p.

Takeover talk was not only confined to the pub and brewing sector. There was speculation that Atlantic Richfield was poised to increase its aggressive £160m, 61p a share offer for Aram Energy to between 70p and 75p.

The oil sector is also viewed by analysts as being ripe for consolidation, particularly in the light of steady crude oil price over the last couple of years. Top of the list of speculative favourites are Premier Oil, 0.5p firmer at 28.5p, and Clyde Petroleum. Shares in Clyde, seen as a takeover tar-

get for Monument Oil & Gas, are trading at 55p. Hardy Oil & Gas, rumoured as another bid candidate, continued its recent strong run with a 4p gain to a year's high of 195p.

British Steel was one of the biggest fallers among the heavyweight division, dropping 5.75p to 175.25p. Trading was heavy with almost 14 million going through the books. Damage was mainly caused by analysts at SBC Warburg predicting the company would have to cut its dividend payments next year from 12.5p to 10p.

There were also reports that two other leading broking houses were preparing to downgrade expectations.

Amstrad shares were in demand, closing 12.5p higher at 268.5p on the back of its latest results and a hint from Alan Sugar, the chairman, that it may soon speed its £140m pot of cash on more acquisitions.

There was excitement in early dealings that United News & Media was poised to sell the *Sunday Express* and *Daily Express*. The rumour has been around for months, but the reasons for yesterday's rise of 9p to 538p were eventually traced to Pamure Gordon which had issued a buy recommendation on the back of good prospects for United's other activities.

Savills has bought a initial 20 per cent stake in the youthful firm of stockbrokers Killick & Co. Killick was founded only six years ago by Paul Killick, formerly of Quilter Goodson, and Matthew Orr. Savills is providing a £500,000 capital facility in exchange for the stake. The holding will rise to 25 per cent if Killick uses another £500,000 facility provided by Savills.

## SHARE PRICE DATA

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price-earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details are Ex rights as indicated in a United Securities Market & Suspended. P/P Only bid on N/A Bid Shares.

### THE INDEPENDENT INDEX

The index allows you to access real-time share prices by phone from Seaq. Simply dial 0891 123 335, followed by the 4-digit code printed next to each share. To access the latest financial reports dial 0891 1233 followed by one of the two-digit codes below.

FT-SE 100 - Real-time	00	Stirling Ratio	04	Privatisation Issues	36
UK Stock Market Report	01	Bullion Report	05	Water Shares	37
UK Company News	02	Wall St Report	20	Electricity Shares	40
Foreign Exchange	03	Tokyo Market	21	High Street Banks	41

Anyone with a tone-dial telephone can use this service. For a detailed description of the Independent Index, including its portfolio facility, phone 0891 123 335. For assistance, call our helpline 071 873 4375 (9.30am - 5.30pm).

Calls cost 35p per minute (cheap rates), and 40p at all other times. Call charges include VAT.

### MARKET LEADERS: TOP 20 VOLUMES

Stock	Vol (m)	Share Price	Vol (m)	Share Price	Vol (m)	Share Price
Barclays	122,000	200.00	Shell	8,000	1,100.00	6,100
Bank of Scotland	17,000	1,100.00	BT	1,100	1,100.00	6,100
British Steel	13,000	175.25	British Telecom	1,100	1,100.00	6,100
BSA Group	11,000	1,100.00	British Airways	1,100	1,100.00	6,100
BT	8,000	1,100.00	British Airways	1,100	1,100.00	6,100

### FT-SE 100 INDEX HOUR BY HOUR

Open 3544.5 up 2.4	11.00 3550.7 up 6.8	14.00 3551.8 up 7.7
09.00 3550.8 up 6.8	12.00 3553.8 up 8.7	15.00 3550.1 up 6.0
10.00 3548.4 up 4.3	13.00 3555.2 up 11.1	16.00 3541.8 down 2.3
		Close 3544.4 up 0.3

### BANKS, MERCHANT

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### BANKS, RETAIL

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### DIVERSIFIED INDUSTRIALS

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### BREWERIES

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### ELECTRICITY

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### BUILDING/CONSTRUCTION

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### ELECTRONICS

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### BUILDING MATERIALS

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### CHEMICALS

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### DISTRIBUTORS

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### ENGINEERING

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### HOUSEHOLD GOODS

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### INSURANCE

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### INTERNATIONALS

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### INDEX LINKED

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### SHORTS

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### UNDATED

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### ENGINEERING VEHICLES

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### EXTRACTIVE INDUSTRIES

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### INVESTMENT COMPANIES

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### INVESTMENT TRUSTS

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### LEISURE & HOTELS

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### OTHER FINANCIAL

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### OTHER SERVICES

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### PHARMACEUTICALS

Barclays	200.00	Bank of Scotland	1,100.00
Bank of England	1,100.00	British Bank of Africa	1,100.00
Bank of Ireland	1,100.00	Bank of Montreal	1,100.00
Bank of New York	1,100.00	Bank of Paris	1,100.00
Bank of Spain	1,100.00	Bank of Tokyo	1,100.00

### PRINTING & PAPER

280	MTL	280	5	6.1	18.8	4881
284	Monetary	280		6.2	18.3	4881
307	Microfilm	43		6.3	14.6	3374
307	Microfilm	43		6.3		
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## SPORT

**RUGBY LEAGUE WORLD CUP**  
Full preview and team-by-team guide to  
the 10 nations taking part 30

**HEAVYWEIGHT AMBITION**  
Ken Jones finds Lennox Lewis  
struggling in the popularity stakes 31



Flying in formation: Sohail (No 2) and company sail high over the water on the first circuit of the Oak Conditional Jockeys Handicap Chase at Wincanton yesterday. Bankroll (in the middle of this trio) was in the money, the 7-4 favourite winning by 25 lengths. Racing, page 29

## Ubogu is dropped by Bath

**Rugby Union**  
DAVID LLEWELYN

Phil de Glanville, the Bath captain, exemplified the hardening attitudes of players as rugby union goes professional with some scathing comments after dropping the England prop Victor Ubogu for tomorrow's crucial First Division match at Wexham.

De Glanville was withering about the tight-head's form and contribution. "It is down to individuals within the squad to ensure that they are as fit as possible," he said, "and while Victor played fairly well against Orrell last Saturday, this is something that has been building for a while."

To add injury to insult, Ubogu, who has won 20 caps since his debut against Canada in 1992, is being replaced by Dave Hilton, who has never played tight-head prop for Bath's first XV. But, as a measure of the strength of Bath's squad, Hilton, who has not played for his club since last February, is himself a Scotland international.

De Glanville explained: "Everyone in this side has to contribute - for a prop that means scrummaging and line-out work - and the contribution has to be over the full 80 minutes. I know Victor is working hard with our fitness coach Ged Roddy and he is now

doing an extra session each week, but Dave is in because we feel he will contribute more during the whole game."

A delighted Hilton said yesterday: "I've not seen Victor play this season but I like to think I am a stronger scrummager and the selectors obviously feel it is worth a gamble. It does get frustrating playing in the United [Second XV] side week after week. I've got something to prove. I've got to take the chance."

Ubogu's downfall may owe something to Bath's latest use of technology in the pursuit of perfection. The club has been employing three cameramen for League games; one to record the match and two to concentrate on one player each for the duration of the game. It seems certain that Ubogu's performances have been scrutinised closely and the result is the chop.

Ubogu's other captain, England's Will Carling, will miss Harlequins' match against Saracens at The Stoop. He is suffering from an ankle injury, which forced him to miss England's training session at Marlow earlier this week.

The Bristol forwards Garath Archer and Martin Corry, who left Newcastle-Gosforth last season, had talks this week with Newcastle's new director of rugby development, Rob Andrew, Bristol's coaching coordinator Brian Hanlon confirmed yesterday.

## Bohinen incurs Forest wrath

**Football**  
JON CULLEY AND PHIL SHAW

Lars Bohinen, the Norwegian international, agreed to leave Nottingham Forest for Blackburn Rovers yesterday to the accompaniment of an outspoken broadside from his dismayed former manager, who accused him of exploiting Forest's goodwill for his own personal gain.

The 29-year-old midfielder has asked £2m at today's market values, will move to Ewood Park next week subject to a medical for a cut-price £700,000, as a result of a sell-on stipulation in his contract with the Nottingham club.

But Frank Clark, the Forest manager, in a rare show of anger, attacked Bohinen for putting money ahead of loyalty. He will more than double his income by joining the struggling

Premiership champions. This follows months of negotiations in which the player and his former representative, Andy Gross, a Swiss lawyer, are thought to have demanded £500,000 for the cancellation of the sell-on clause, which limited Forest to £250,000 profit on the £450,000 they paid Young Boys of Berne for Bohinen almost two years ago. Bohinen's deal with Forest gave him the right to a transfer at any time to any club prepared to pay the £700,000 fee.

Clark, choosing his words carefully, said: "Lars is not the first player to move for money, but I feel very disappointed in him and very let down. You learn from your mistakes and I would never again let anyone have that sort of clause, but when he first joined us I agreed to it as security for him."

"We were a First Division club and not doing particularly well, he was a relatively un-

known Norwegian with no experience of England. They asked for this clause as a little bit of comfort for Lars should he be not settle in England, should he be unhappy at Forest, should Forest not be successful. It gave him an escape clause."

The Forest chief added that Gross, who has also represented Jürgen Klinsmann, had asked for Bohinen's new deal to include a clause similar to that which contributed to the ill-feeling between Klinsmann and the Tottenham chairman, Alan Sugar, following the German striker's transfer to Bayern Munich.

"They wanted us to give away any right of appeal to Fifa or Uefa in the event of a conflict with Lars over his contract," Clark said. "It would have left us with nowhere to go to seek arbitration and enabled Lars, so far as I could see, to walk out willy-nilly."

"I would be interested to see how many clauses Blackburn have been asked to agree to. For the last seven months I've had to get legal advice, accountants' advice, FA and Premier League advice - and all this while I'm trying to win two football matches a week."

In a further complication, Bohinen has since sacked Gross. In his talks with Blackburn, he has been represented by Frank Mathiesen, the former general manager of FC Copenhagen, now a licensed Fifa agent running a firm called Dan Player, based in the Danish capital.

Clark paid Gross an unexpected tribute. "He has screwed me to the ground but in a fair, tough, honest way and he has looked after Lars' affairs very well," Clark said.

Bohinen's contract with Blackburn, who have been desperate to find a creative midfielder after their poor start to

the season, is thought to be worth around £10,000 per week, compared with an estimated £4,000 per week offered by Forest. He will also receive a substantial signing-on fee.

Capped 38 times by Norway and likely to face England in Oslo next week, Bohinen is reported to have said yesterday: "I was happy at Forest, but everything is bigger here."

His decision suddenly to drop Gross sparked speculation that the deal might carry the fingerprints of Rune Hauge, the agent currently suspended over his role in the George Graham "bungs" affair. Blackburn, fearful of possible consequences, contacted the FA to clarify their position should this be the case, but appear to have satisfied themselves about the parties involved.

Hauge has a previous connection with Mathiesen, having brokered the transfer of Torben

Piechnik to Liverpool from FC Copenhagen while Mathiesen was general manager. The Piechnik deal is among those the Premier League's so-called "bung-busting" team, set up in the light of the Graham affair, has set out to investigate.

Clark added: "I don't know anything about Hauge. He tried to get involved when we signed Lars originally, but Lars and Andy Gross hounded him out."

The Forest manager, steering clear of emotive language, said: "Someone, I don't know who, has been touting Lars about for six months and two English managers told me this summer that his situation had been brought to their knowledge."

"But I must stress that Blackburn have acted totally honourably in every aspect of this deal. Ray Harford is a friend of mine and I wouldn't expect it to be any different."

## Davies deal in doubt

Cardiff rugby union club may not be able to afford Jonathan Davies. Warrington yesterday told Cardiff, one of three clubs who have tried to tempt Davies back to his roots, that the 33-year-old Welsh rugby league captain can leave, but only with a hefty compensation payment. And any deal will be done after the Halifax Centenary World Cup.

Graham Armstrong, the Warrington chief executive who met his Cardiff counterpart, Gareth Davies, yesterday, said: "We had a 75-minute meeting at the motorway services and Cardiff have now made an official approach. However, Cardiff made no professional proposals and we stated our position clearly."

"Jonathan is under contract with us until June 1997. He is not on the transfer list and is not for sale. We want him to stay but, if he ever did leave, we would

insist on compensation on top of his contract payments."

Gareth Davies said: "It was up to Warrington to discuss it and come back to me which they will probably do next week. But there is no big money in Wales to buy contracts and Cardiff cannot afford to buy Jonathan out."

Davies, who turned professional from Llanelli for Widnes almost six years ago, joined Warrington in July 1993 when the Chemics were unable to afford his contract payments, reportedly £75,000 a year.

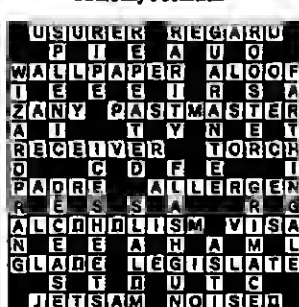
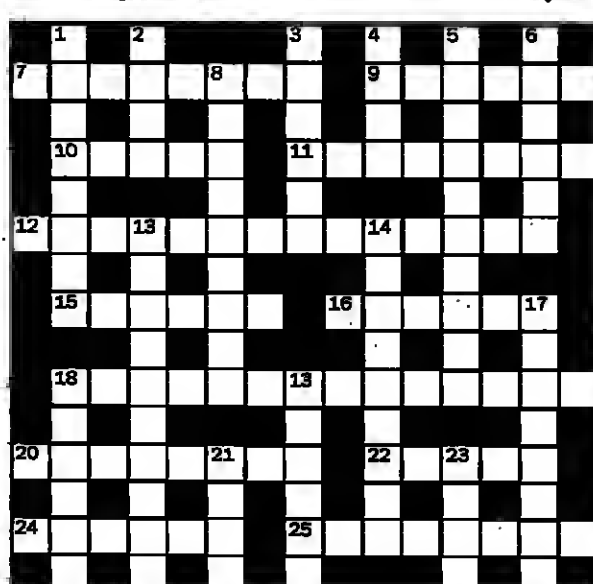
Clive Griffiths, who is Wales' rugby league coach and also Warrington's assistant coach, has criticised Cardiff's actions, which he said had affected Welsh preparations for Monday's cup opener against France. "Jonathan wants to concentrate on the World Cup and everything else has been put in the background until the competition is over," he said.

### THE INDEPENDENT CROSSWORD

No 2798, Friday 6 October

By Phil

Thursday's solution



- ACROSS**
- PC in here disentangled code (8)
  - English leading most of road race round? It could provide a good finish! (6)
  - The gutless in conflict? Good running material! (5)
  - Stake involving City - the same story (8)
  - Piece of music, sharp, loud, by Bernstein (last three parts only), possibly (8,2,4)
  - Order a number to return, taking care of unfinished job (6)
  - French delicacy in tin is in a poor condition (6)
  - Was now correct in variation form, absorbing a piece of film music (6,3)
  - Repugnance for leader of thieves intervening in endless calamity (8)
  - Force one Member to look, being taken short (5)
  - Computer equipment runs during cut (6)
  - Abode of hapless police (though showing style following clues) (8)
  - DOWN
  - Arctic footwear is currently quiet on half of shoe (4,4)
  - Beer? There's little new in mine (4)
  - Have a meal in attempt to achieve agreement (6)
  - Graduate teacher takes on English, though an expert in ancient history (4)
  - In translation, I read a huc French poet (10)

- ACROSS**
- USURPER REGARDU
  - PIE A UO
  - WELL PAPER ALLOOF
  - WALL GERT RAS
  - ZANY CASTAWAY
  - AI VY V EY
  - RECEIVER MORCH
  - DOFFER I
  - PAPRE ALLERGEN
  - NE E A N A M L
  - GLADE LEGISLATE
  - S E I U C
  - JERISIAN NOISED

## Bould's England recall

Steve Bould, the Arsenal centre-back, was yesterday recalled to the England squad in place of the injured Newcastle defender Steve Howey for next week's friendly in Norway. Terry Venables, the England coach, was left with only Tony Adams and Gary Pallister as centre-backs after Howey's withdrawal. Neil Ruddock, the first-choice replacement, was found to have personal problems.

Southampton's Matt Le Tissier may also get a recall in place of Paul Gascoigne, who has a thigh strain. Venables said: "We will have a roll call when everybody meets up. I've always said that the door is never shut for Le Tissier. There is still time for him. I've seen every game he's played this season, but he just happens not to be in the starting group at the moment."

As there is no weekend Premiership programme because of internationals, Eric Cantona is set to continue his comeback in Manchester United's reserves tomorrow against Leeds reserves.

However, Cantona learned yesterday that he has been left out of France's squad for next week's European Championship qualifier in Romania. Aimé Jacquet, the France coach, has called up David Ginola, even though the Newcastle forward is doubtful with a thigh injury.

Members of the Northern Ireland squad for their European Championship qualifier in Liechtenstein will not be allowed to play for their clubs this weekend. With key strikers Iain Dowie and Keith Gillespie suspended, Bryan Hamilton is unwilling to risk any more injuries in the build-up to Wednesday's match, following yesterday's

withdrawal of the Queen's Park Rangers centre-back, Alan McDonald, with a foot injury.

Several clubs have criticised the decision and Mick Gooding, joint-manager of Reading with Jimmy Quinn, one of the players affected, said: "Jimmy has always been very loyal to Northern Ireland and we think they've been a bit unfair to us."

Paul McStay could be out of Scotland's trip to Sweden next week with an ankle injury. The Celtic skipper missed his club's midweek match and faces a fitness test before tomorrow's game.

Glenn Helder, the Arsenal winger, has been recalled by the Netherlands for their qualifier in Malta, but his Highbury teammate, Dennis Bergkamp, is missing with a slight ankle injury.

Coca-Cola Cup draw, *Sporting Digest*, page 31

## Australia pick Tongans for opening World Cup match

**Rugby League**  
DAVE HADFIELD

Australia have named both the Tongans they have appropriated in their team for the opening Centenary World Cup match against England at Wembley tomorrow.

John Hopoate, the Manly winger, and Jim Dymock, the Sydney Bulldogs' loose forward, are the only uncapped players in Bob Fulton's selection.

Despite the lack of players signed to the rival Super League organisation, the Australian team is otherwise full of players of proven international prowess, including the bulk of the team that beat New Zealand 3-0 in their series earlier this year.

Hopoate has been preferred to Brett Dallas and Robbie O'Davis - a substitute at Wembley - while Dymock has beaten his club-mate, Jason Smith, to the one contentious position in the pack. Rod Wishart is installed on the opposite wing from Hopoate and as goal kicker, after arriving late from Australia following the birth of his son.

Tonga, who play New Zealand at Warrington on Sunday, have had to leave their centre, Adi Leulai, behind. Leulai is due to join Oldham after the World Cup and the Tongan coach, Mike McClellan, said: "Work permits can't be granted if a player is already in this country and that is why we had to leave him behind. We could have jeopardised his position if he had come with us."

South Africa, who play Fiji at Keighley on Sunday, have called

in a sports psychologist, Nick Morris, to aid their preparations. Morris once worked with Harlequins rugby union club.

"He talks to the players individually and gets them to believe in themselves," South Africa's coach, Tony Fisher, said. "A calming influence and that's good because, although they are naturally aggressive players, he helps to keep that under control."

A group of Papua New Guinea players have been told by Hull police there will be no charges against them after a complaint from a woman who had been in their company last night.

Their co-manager, Bob Robertson, said there would be an internal enquiry into the incident and the World Cup organisers were being kept informed.

What is the future for rugby league? Section Two, page 4

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